



Franchise Disclosure Document

2016



FRANCHISE DISCLOSURE DOCUMENT

MAACO FRANCHISOR SPV LLC
a Delaware limited liability company
440 South Church Street, Suite 700
Charlotte, North Carolina 28202
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cdonoghue@maaco.com
www.maaco.com

The franchise offered is to operate an automobile repair center specializing in automobile painting and body repair under the name “Maaco,” “Maaco Collision Repair & Auto Painting” or “Maaco Auto Painting & Bodyworks.”

The total investment necessary to begin operation of a Maaco Center franchise is \$375,052 to \$487,052. This includes \$65,000 to \$228,000 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a Maaco Center franchise under our Conversion Program is \$93,462 to \$145,112. This includes \$45,000 to \$54,500 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a Satellite Store franchise under the Satellite Store Program or an Express Store franchise under the Express Store Program is \$65,962 to \$117,612. This includes \$17,500 to \$27,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Robert Cambruzzi at our corporate offices located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contracts carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “[A Consumer's Guide to Buying a Franchise](#),” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date of this Franchise Disclosure Document: May 12, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit U for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE US ONLY IN A STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN THE COUNTY OR DISTRICT WHERE OUR PRINCIPAL HEADQUARTERS IS LOCATED (CURRENTLY IN THE STATE OF NORTH CAROLINA). OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN NORTH CAROLINA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU ARE MARRIED, YOUR SPOUSE MUST SIGN A SPOUSAL CONSENT MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Dates: See the next page for state effective dates.

MAACO FRANCHISOR SPV LLC

STATE REGISTRATIONS

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	May 12, 2016 (Exempt)
Hawaii	Pending
Illinois	May 12, 2016 (Exempt)
Indiana	May 13, 2016
Maryland	Pending (Exempt)
Michigan	May 12, 2016
Minnesota	Pending
New York	May 12, 2016 (Exempt)
North Dakota	Pending (Exempt)
Rhode Island	Pending (Exempt)
South Dakota	May 13, 2016
Virginia	Pending (Exempt)
Washington	Pending (Exempt)
Wisconsin	May 12, 2016

**(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT V.

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The Franchisor is Maaco Franchisor SPV LLC. For ease of reference, Maaco Franchisor SPV LLC will be referred to as “we,” “us” or “MAACO” in this disclosure document. We will refer to the person or entity who buys the franchise as “you” throughout the disclosure document. If we allow you to assign your Franchise Agreement to a corporation, partnership, limited liability company or other business entity, your owners and spouses must sign our Personal Guaranty which means that all of the Franchise Agreement’s provisions also will apply to your owners.

We are a Delaware limited liability company organized on June 9, 2015. Our principal business address is 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. We do business under our company name and “MAACO” and no other name. As described later in this Item, we operate and sell franchises for the operation of automobile painting and body repair centers under the name “Maaco Collision Repair & Auto Painting.” We have not offered franchises in any other line of business. If we have an agent in your state for service of process, we disclose that agent in Exhibit U.

Predecessors, Parents and Certain Affiliates

We are a direct, wholly-owned subsidiary of Driven Systems LLC, a Delaware limited liability company (“Driven Systems”). Driven Systems is a wholly-owned subsidiary of Driven Brands Funding, LLC (“Driven Brands Funding”). Driven Systems and Driven Brands Funding share our principal business address. Driven Systems and Driven Brands Funding were organized as part of the Securitization Transaction described below.

We are an indirect, wholly-owned subsidiary of Driven Brands, Inc., a Delaware corporation (“Driven Brands”). Driven Brands shares our principal business address. Until July 2015, Driven Brands was the direct parent company of several automotive brands described in this disclosure document. Driven Brands acquired the Meineke franchise system in August 2003; the Econo Lube franchise system in August 2006; the MAACO franchise system in October 2008; the Drive N Style franchise system in February 2008; the Merlin franchise system in February 2014; the 1-800-Radiator franchise system in June 2015; and the CARSTAR franchise system in October 2015. Driven Brands acquired the Pro Oil franchise system based in Canada in December 2014. As noted below, Driven Brands was restructured as part of a secured financing transaction which closed in July 2015 and is now the indirect parent company of the current franchisors of all of these brands.

Driven Brands also is the parent company of MAACO Franchising, LLC (“MAA”). MAA was the franchisor of Maaco Centers (defined below) prior to the closing of the Securitization Transaction described below. MAA was originally formed as a Delaware corporation on September 18, 2008 as “Maaco Franchising, Inc.” In April 2013, MAA

converted from a corporation to a limited liability company, and changed its name to “MAACO Franchising, LLC.” MAA shares our principal business address.

We are the successor to the business founded by Anthony A. Martino in 1972 as Maaco Enterprises, Inc., a Pennsylvania corporation (“MEI”). Mr. Martino served as MEI’s Chief Executive Officer and Chairman of the Board for over 30 years. Mr. Martino passed away in January 2008. MAA became the owner of the business through the purchase of substantially all of the assets of MEI on October 21, 2008.

MEI began offering franchises for Maaco Centers under the name “Maaco Auto Painting & Bodyworks” in February 1972. In March 2003, MEI introduced a new name “Maaco Collision Repair & Auto Painting” to broaden consumer perception in the marketplace of the ability to do bodywork services, and MEI began franchising under this name. (The term “Maaco Center” refers to businesses operating under the name “Maaco,” “Maaco Auto Painting & Bodyworks” or “Maaco Collision Repair & Auto Painting” unless the context requires otherwise. The term “Center” refers to the Maaco Center you will operate under the Franchise Agreement.) As of December 26, 2015, there were 451 franchised Maaco Centers in operation in the United States. MEI has operated Maaco Centers at various times since its inception in 1972.

In fall 2013, MAA acquired all of the assets of 1-Day Paint & Body Centers, Inc. and SprayGlo USA, Inc. and certain of their affiliated entities. These assets included a limited number of businesses similar to Maaco Centers operated under “1-Day” and “SprayGlo” trade names, respectively. MAA acquired those businesses with the intention to convert them to franchised Maaco Centers. All but one of these businesses were purchased from MAA by franchisees and converted to franchised Maaco Centers. Neither we nor MAA has offered for sale or renewal any franchises in the names of “1-Day” or “SprayGlo.”

Driven Product Sourcing LLC (“Driven Product Sourcing”), an affiliate of Driven Systems, may sell certain goods and services to our franchisees, which may include the equipment package, opening inventory, stationery, signage packages and computer hardware. Driven Product Sourcing shares our principal business address.

In December 2015, Driven Florida Lubes Inc., an affiliate of Driven Brands, purchased the business and other assets of North Florida Lubes, Inc. (“North Florida Lubes”). North Florida Lubes operates Havoline Xpress Lubes quick lube service shops. As of December 26, 2015, there were 66 company-owned North Florida Lubes service shops operating in the United States. North Florida Lubes has not offered franchises in any lines of business and does not provide products or services to our franchisees. North Florida Lubes service shops currently operate only in central and northeastern Florida and southern Georgia.

In March 2016, Driven Brands acquired Take 5 Oil Change, Inc. (“Take 5”). Take 5 operates businesses offering a signature 5-minute drive-thru oil change service. As of March 30, 2016, there were 65 company-owned Take 5 locations operating in the United States. Take 5 has not offered franchises in any lines of business and does not provide products or services to our franchisees. Take 5 businesses currently operate primarily in the southeast United States, including Alabama, Mississippi, Louisiana, North Carolina, and South Carolina.

Driven Brands is owned by Driven Holdings, LLC. In April 2015, RC Driven Holdings LLC acquired the majority of the ownership interests in Driven Holdings, LLC as the result of a merger between RC Driven Acquisition LLC and RC Driven Holdings LLC. The address of Driven Holdings, LLC, RC Driven Holdings LLC and RC Driven Acquisition LLC is 1180 Peachtree Street, N.E., Suite 2500, Atlanta, Georgia 30309. Driven Holdings, LLC is controlled through affiliated companies by Roark Capital Group, a private equity firm based in Atlanta, Georgia. We are now part of the family of companies under common control with or common management by affiliates of Roark Capital Group, many of whom are franchised companies in a variety of industries. See below for additional information concerning these affiliated franchise companies.

Driven Affiliates

We have 4 affiliates with Driven Systems as their parent company that offer franchises in the United States: Meineke Franchisor SPV LLC (“Meineke”), Drive N Style Franchisor SPV LLC (“DNS”), Econo Lube Franchisor SPV LLC (“Econo Lube”), and Merlin Franchisor SPV LLC (“Merlin”). Meineke, DNS, Econo Lube, and Merlin share our principal business address. The franchisors of these franchise systems prior to the Securitization Transaction were, respectively: Meineke Car Care Centers, LLC; Drive N Style, LLC; Econo Lube N’ Tune, LLC; and SBA-TLC, LLC. These affiliates offer franchises in the lines of business described below.

Meineke franchises automotive centers which offer to the general public automotive repair and maintenance services that it authorizes from time to time. These services currently include repair and replacement of exhaust system components, brake system components, steering and suspension components (including alignment), belts (V and serpentine), cooling system service, CV joints and boots, wiper blades, universal joints, lift supports, motor and transmission mounts, trailer hitches, air conditioning, state inspections, tire sales, tune-ups and related services, transmission fluid changes and batteries. Meineke and its predecessor have been offering franchises since September 1972 and, through an affiliate, Forward Development, LLC, own and operate Meineke centers and have done so since March 1991. As of December 26, 2015, there were 800 Meineke centers, 48 Meineke centers co-branded with Econo Lube, and 1 company-owned Meineke center operating in the United States.

DNS is the franchisor of 3 franchise systems: Drive N Style® franchises, AutoQual® franchises and Aero Colours® franchises. Except as disclosed in Item 12, none of these franchise systems compete with Maaco Centers. DNS and its predecessors have offered Drive N Style franchises since October 2006. A Drive N Style business offers both interior and exterior reconditioning and maintenance services, exterior paint repair and refinishing services, and interior and exterior protection services for consumer vehicles. As of December 26, 2015, there were 7 Drive N Style franchises in the United States. DNS and its predecessors have offered AutoQual franchises since February 2008. AutoQual businesses offer various services relating to the interior of automotive vehicles, including, among other things, cleaning, deodorizing, dyeing, and masking of carpets, seats, and trim. As of December 26, 2015, there were 31 AutoQual franchises in the United States and 5 AutoQual franchises in Canada. DNS and its predecessors have offered Aero Colours franchises since 1998. Aero Colours businesses offer various services related to the exterior of automotive vehicles, including paint touch-up, repair and refinishing that is performed primarily on cars at automobile dealerships or at the customer’s

home or place of business. As of December 26, 2015, there were 23 Aero Colours franchises in the United States.

Econo Lube offers franchises that provide oil change services and other automotive services including brakes, but not including exhaust systems. Econo Lube's predecessor began offering franchises in 1980 under the name "Muffler Crafters" and began offering franchises under the name "Econo Lube N' Tune" in 1985. As of December 26, 2015, there were 26 Econo Lube N' Tune franchises in the United States and 38 Econo Lube N' Tune franchises co-branded with Meineke centers, which are predominately in the western part of the United States, including California, Arizona, and Texas.

Merlin franchises Merlin 200,000 Miles Shops® which provide automotive repair services specializing in vehicle longevity, including the repair and replacement of automotive exhaust, brake parts, ride and steering control system and tires. Merlin and its predecessors offered franchises from July 1990 to February 2006 under the name "Merlin Muffler and Brake Shops," and have offered franchises under the name "Merlin 200,000 Mile Shops" since February 2006. As of December 26, 2015, there were 37 Merlin franchises located in the United States.

1-800-Radiator Franchisor SPV LLC ("1-800-Radiator"), a subsidiary of Driven Funding, franchises distribution warehouses selling radiators, condensers, air conditioning compressors, fan assemblies and other automotive parts to automotive shops, chain accounts and retail consumers. 1-800-Radiator and its predecessor have offered 1-800-Radiator franchises since 2004. As of December 26, 2015, there were 198 1-800-Radiator franchises in operation in the United States. Prior to the closing of the Securitization Transaction, the franchisor of 1-800-Radiator franchises was 1-800-Radiator Franchise, Inc. ("RFI"). 1-800-Radiator's affiliate has owned and operated 1-800-Radiator warehouses since 2001 and, as of December 26, 2015, owned and operated 6 1-800-Radiator warehouses in the United States. The principal business address of 1-800-Radiator and RFI is 4401 Park Road, Benicia, California 94510.

CARSTAR Franchisor SPV LLC ("CARSTAR"), another subsidiary of Driven Funding, offers franchises for full-service automobile collision repair facilities that provide repair and repainting services for automobiles and trucks that suffered damage in collisions. CARSTAR's business model focuses on insurance-related collision repair work arising out of relationships it has established with insurance company providers. As part of additional secured promissory notes that will be issued on or about May 2016 under the terms of the Securitization Transaction, CARSTAR will become the franchisor of the CARSTAR franchise system. Prior to that date, CARSTAR Franchise Systems, Inc. acted as the franchisor of the CARSTAR franchise system. CARSTAR Franchise Systems, Inc. and its affiliates first offered conversion franchises to existing automobile collision repair facilities in August 1989 and began offering franchises for new automobile repair facilities in October 1995. As of December 26, 2015, there were 233 franchised CARSTAR facilities and 1 company-owned CARSTAR facility operating in the United States. CARSTAR shares our principal business address.

We also have 5 affiliates that offer franchises in Canada:

Maaco Canada Partnership, LP has offered franchises for Maaco Centers in Canada since March 2014. From 1983 until October 2013, MAACO Systems Canada, Inc. (“MAACO Systems”) offered MAACO franchises under a master license agreement with MAACO Canada, Inc. In October 2013, Maaco Canada, Inc. purchased all of the shares of MAACO Systems. In December 2013, all of MAACO Systems’ assets, including all existing MAACO franchise agreements, were transferred to Maaco Canada Partnership, LP. As of December 26, 2015, there were 19 franchised Maaco Centers in Canada. Maaco Canada Partnership, LP’s principal business address is 8400 Lawson Road, Unit 1, Milton Ontario, Canada L9T 0J8.

Meineke Canada Partnership, LP has offered Meineke center franchises in Canada since December 2013. Its predecessor, Meineke Canada, Inc., was organized to operate and offer franchises for Meineke centers in Canada and to lease Meineke center locations for use by Canadian franchisees. This corporation was amalgamated into Meineke Canada Company on August 4, 2004. On December 13, 2013, Meineke Canada, Inc. was amalgamated into Meineke Canada Partnership, LP. There were 45 franchised Meineke centers in Canada as of December 26, 2015. Meineke Canada Partnership, LP’s principal place of business is 250 Meadow Drive, Darlings Island, New Brunswick, Canada E5N 6P8.

Pro Oil Canada Partnership, LP has offered Pro Oil franchises in Canada under the names “Pro Oil” and “Pro Oil Change Centres” since September 2014. Pro Oil Canada Partnership, LP purchased the assets of the Pro Oil franchise system (including the franchise agreements and intellectual property) in September 2014 from Pro Oil Management Inc. Pro Oil Management Inc. had offered Pro Oil franchises in Canada from 2008 until September 2014. As of December 26, 2015, there were 36 franchised Pro Oil locations and 8 company-owned Pro Oil locations in Canada. Its principal business address is 5500 N. Service Road, Suite 210, Burlington, Ontario, Canada L7L 6W6 (SW).

1-800-Radiator Canada, Co. has offered franchises for 1-800-Radiator warehouses in Canada since April 5, 2007. As of December 26, 2015, there were 8 franchised 1-800-Radiator warehouses in Canada. 1-800-Radiator Canada, Co.’s principal business address is 1100-1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2.

CARSTAR Canada Partnership, LP has offered CARSTAR franchises in Canada since December 2015. CARSTAR Canada Partnership, LP purchased the assets of the CARSTAR franchise system in Canada, including the existing franchise agreements, in December 2015 from CARSTAR Automotive Canada Inc. CARSTAR Automotive Canada Inc. offered CARSTAR franchises pursuant to a master license agreement with CARSTAR Franchise Systems, Inc. from September 2000 until December 2015. As of December 26, 2015, there were 228 franchised CARSTAR facilities in Canada and 11 CARSTAR express facilities in Canada. CARSTAR Canada Partnership, LP’s principal business address is 8400 Lawson Road, Unit 1, Milton, Ontario, Canada L9T 0J8.

Other than as described above, neither these affiliates nor their predecessors have offered franchises in any other lines of business or operated any business of the type being offered under this disclosure document.

Securitization Transaction

Under a securitization financing transaction which closed in July 2015 (the “Securitization Transaction”), Driven Brands and its affiliates were restructured. As part of the Securitization Transaction, all existing U.S. franchise agreements and related agreements for Maaco Centers were transferred to us, and we became the franchisor of all existing and future franchise and related agreements. Ownership and control of all U.S. trademarks and certain intellectual property relating to the operation of Maaco Centers in the U.S. were also transferred to us.

At the time of the closing of the Securitization Transaction, Driven Brands entered into a management agreement with us to provide the required support and services to Maaco franchisees under their franchise agreements. Driven Brands also acts as our franchise sales agent. We will pay management fees to Driven Brands for these services. It is anticipated that Driven Brands will delegate certain of these responsibilities to MAA, the former franchisor of Maaco Centers. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise Agreement or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

Roark Capital Group Affiliates

Through common control with or common management by either Roark Capital Group, Inc. (“RCG”) or Roark Capital Management LLC, both Atlanta-based management companies affiliated with the private equity firm, Roark Capital Group, we are also affiliated with the following franchise programs. None of these affiliates operate a Maaco Center franchise.

FOCUS Brands

FOCUS Brands Inc. (“FOCUS Brands”) is the indirect parent company to 6 franchisors, including Carvel Corporation (“Carvel”), Cinnabon LLC (“Cinnabon”), Schlotzsky’s Franchise LLC (“Schlotzsky’s”), Moe’s Franchisor LLC (“Moe’s”), Auntie Anne’s LLC (“Auntie Anne’s”) and McAlister’s Corporation (“McAlister’s”):

Carvel is a leading retailer of branded ice cream cakes in the United States and a producer of premium soft-serve ice cream. Carvel was acquired by RCG in October 2001. Carvel’s principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Carvel has been associated with the ice cream business since 1934. Carvel began franchising retail ice cream shoppes in 1947 and, as of December 31, 2015, had 344 domestic retail shoppes (including 7 shoppes co-branded in Schlotzsky’s restaurants operated by an affiliate), 54 international retail shoppes, and 21 foodservice locations operated by independent third parties that offer Carvel® ice cream and frozen desserts including cakes and ice cream novelties. Carvel has not offered franchises in any other line of business.

Cinnabon licenses independent third parties to operate domestic and international franchised Cinnabon® bakeries and Seattle’s Best Coffee® franchises on military bases in the United States and in certain international countries, and to use the Cinnabon trademarks on

products dissimilar to those offered in Cinnabon bakeries. In November 2004, Cinnabon became a FOCUS Brands subsidiary through an acquisition. Cinnabon's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Cinnabon began franchising in 1990 and, as of December 31, 2015, franchisees operated 748 Cinnabon retail outlets in the United States and 569 Cinnabon retail outlets outside the United States and 5 Seattle's Best Coffee units in the United States and 165 units in other countries. As of December 31, 2015, Cinnabon operated 2 company-owned Cinnabon retail outlets in the United States. Cinnabon has not offered franchises in any other line of business.

Schlotzsky's franchises Schlotzsky's® quick-casual restaurants which feature sandwiches, pizza, soups, and salads. Schlotzsky's signature items are its "fresh-from-scratch" sandwich buns and pizza crusts that are baked on-site every day. In November 2006, Schlotzsky's became a FOCUS Brands subsidiary through an acquisition. Schlotzsky's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Schlotzsky's restaurant franchises have been offered since 1976. As of December 31, 2015, there were 312 franchised Schlotzsky's restaurants operating in the United States, 38 company-owned restaurants and 2 Schlotzsky's restaurants operating outside the United States. Schlotzsky's has not offered franchises in any other line of business.

Auntie Anne's franchises Auntie Anne's® shops that offer soft pretzels, lemonade, frozen drinks and related foods and beverages. In November 2010, Auntie Anne's became a FOCUS Brands subsidiary through an acquisition. Auntie Anne's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Auntie Anne's has offered franchises since January 1991. As of December 28, 2015, there were approximately 1,135 franchised shops and 16 company-owned shops in the United States and approximately 507 franchised shops operating outside the United States. Auntie Anne's has not offered franchises in any other line of business.

Moe's franchises the Moe's Southwest Grill fast casual concept that offers fresh-mex and southwestern food. In August 2007, Moe's became a FOCUS Brands subsidiary through an acquisition. Moe's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. Moe's predecessor, Moe's Southwest Grill, LLC, began offering Moe's franchises in 2001. As of December 31, 2015, there were 633 franchised Moe's restaurants operating in the United States, 3 operating outside the United States and 5 company-owned Moe's restaurants in the United States. Moe's has not offered franchises in any other line of business.

McAlister's franchises full-size and non-traditional fast casual restaurant franchises offering counter-service, on-premises and take-out services featuring a complete or limited line of deli foods, including hot and cold deli sandwiches, baked potatoes, salads, soups, desserts, iced tea and other food and beverage products under the names "MCALISTER'S DELI®" or "MCALISTER'S SELECT®." McAlister's became an affiliated franchise program through an acquisition in July 2005, and McAlister's became a FOCUS Brands subsidiary in October 2013. McAlister's principal place of business is 5620 Glenridge Drive NE, Atlanta, Georgia 30342. McAlister's has been franchising since 1999 and, as of December 31, 2015, had 318 domestic franchised restaurants and 43 company-owned restaurants. McAlister's has not offered franchises in any other line of business.

Other Brands

Batteries Plus, L.L.C. (“Batteries Plus”) is a franchisor that offers individual and multiple unit franchises for the operation of Batteries Plus Bulbs® stores selling batteries, light bulbs and related accessories and services for retail consumer and commercial accounts. Batteries Plus’ principal place of business is 1325 Walnut Ridge Drive, Hartland, Wisconsin 53029. Batteries Plus became an affiliated franchise program through an acquisition in November 2007. Batteries Plus has been franchising since August 1996 and, as of December 31, 2015, had 626 franchised stores and 48 company-owned stores. Batteries Plus has not offered franchises in any other line of business.

Primrose School Franchising Company (“Primrose”) is a franchisor that offers franchises for the establishment, development and operation of educational child care facilities serving families with children from 6 weeks to 12 years old operating under the Primrose® name. Primrose’s principal place of business is 3660 Cedarcrest Road, Acworth, Georgia 30101. Primrose became an affiliated franchise program through an acquisition in June 2008. Primrose has been franchising since 1988 and, as of December 31, , had 311 franchised facilities and one company-owned facility. Primrose has not offered franchises in any other line of business.

Pet Valu Canada Inc. (“Pet Valu”) is a franchisor that offers franchises for specialty retail stores operating under the trademark “Pet Valu” that sell food and supplies for dogs, cats, birds, fish, reptiles and small animals. Pet Valu’s principal place of business is 130 Royal Crest Court, Markham, Ontario, Canada L3R 0A1. Pet Valu became an affiliated franchise program through an acquisition in August 2009. Pet Valu has been franchising since 1987. As of January 2, 2016, the Pet Valu enterprise operated stores in Canada and the United States under 5 different chains totaling 694 stores. Of the 694 stores, there were (i) 576 Pet Valu-branded stores consisting of 269 franchised stores and 127 company-owned stores in Canada and 180 company-owned stores in the United States; (ii) 44 Jack’s Pets-branded company-owned stores in the United States; (iii) 15 Paulmac’s Pet Foods-branded stores in Ontario, Canada consisting of 14 franchised and 1 company-owned store; (iv) 51 Bosley’s Pet Food Plus-branded stores in British Columbia, Canada consisting of 19 franchised and 32 company-owned stores; and (v) 8 company-owned Tisol-branded stores. Pet Valu has not offered franchises in any other line of business and currently only offers franchises for the operation of Pet Valu and Bosley’s stores in Canada.

Wingstop Restaurants, Inc. (“Wingstop”) is a franchisor of restaurants operating under the WING-STOP® trade name and business system that serve buffalo-style chicken wings and complementary side dishes and beverages. Its principal place of business is 5501 LBJ Freeway, 5th Floor, Dallas, Texas 75240. Wingstop became an affiliated franchise program through an acquisition in April 2010. Wingstop has been franchising since May 1997 and, as of December 27, 2015, had 786 restaurants operating in the United States (767 franchised and 19 company-owned) and 56 restaurants operating internationally. Wingstop has not offered franchises in any other line of business.

CBC Restaurant Corp. (“Corner Bakery”) is a franchisor of fast-casual restaurants operating under the Corner Bakery Cafe® trade name and business system that serve artisan breads, salads, sandwiches, soups and baked goods for breakfast, lunch and dinner. Corner

Bakery's principal place of business is 12700 Park Central Drive, Suite 1300, Dallas, Texas 75251. In June 2011, Corner Bakery became an affiliated franchise program through an acquisition. Corner Bakery has been franchising since June 2006 and, as of December 31, 2015, there were 114 company-owned restaurants and 83 franchised restaurants in the United States. Corner Bakery has not offered franchises in any other line of business.

Arby's Franchisor, LLC ("Arby's") is a franchisor of quick-serve restaurants operating under the Arby's® trade name and business system that feature slow-roasted, freshly sliced roasted beef sandwiches. Arby's principal place of business is 1155 Perimeter Center West, Suite 1200, Atlanta, Georgia 30338. In July 2011, Arby's became an affiliated franchise program through an acquisition. Arby's has been franchising since 1965 and, as of January 3, 2016, there were approximately 3,214 Arby's restaurants operating in the United States (2,210 franchised and 1,004 company-owned), and 127 franchised Arby's restaurants operating internationally. Predecessors and former affiliates of Arby's have, in the past, offered franchises for other restaurant concepts including T. J. Cinnamons®. As of January 3, 2016, there were approximately 32 T. J. Cinnamons locations in the United States. T. J. Cinnamons stores serve gourmet baked goods.

Massage Envy Franchising, LLC ("Massage Envy") is a franchisor of businesses that offer professional therapeutic massage services, facial services and related goods and services under the name "Massage Envy®". Massage Envy's principal place of business is 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260. In September 2012, Massage Envy became an affiliated franchise program through an acquisition. Massage Envy has been franchising since 2010 and through its predecessor since 2003. As of December 31, 2015, there were 1,127 franchised Massage Envy locations operating in the United States. Additionally, the predecessor of Massage Envy previously sold franchises for regional developers, who acquired a license for a defined region in which they were required to open and operate a designated number of Massage Envy locations either by themselves or through franchisees that they would solicit. As of December 31, 2015, there were 40 regional developers operating 48 regions in the United States. Massage Envy has not offered franchises in any other line of business.

CKE Inc. ("CKE"), through 2 indirect, wholly-owned subsidiaries (Carl's Jr. Restaurants LLC and Hardee's Restaurants LLC), owns, operates and franchises quick serve restaurants operating under the Carl's Jr.®, Hardee's®, Green Burrito® and Red Burrito® trade names and business systems. Carl's Jr. restaurants and Hardee's restaurants offer a limited menu of breakfast, lunch and dinner products featuring charbroiled 100% Black Angus Thickburger® sandwiches, Hand-Breaded Chicken Tenders, Made from Scratch Biscuits and other related quick serve menu items. Green Burrito and Red Burrito each offer certain Mexican food products in a quick-serve format. Green Burrito franchises are only offered in conjunction with a Carl's Jr. Dual Concept Restaurant that incorporates the Green Burrito Dual Concept System. Red Burrito franchises are only offered in conjunction with a Hardee's Dual Concept Restaurant that incorporates the Red Burrito Dual Concept System. CKE's principal place of business is 6307 Carpinteria Avenue, Suite A, Carpinteria, California 93013. In December 2013, CKE became an affiliated franchise program through an acquisition. Hardee's restaurants have been franchised since 1961 and Red Burrito Dual Concept restaurants have been franchised since 2006. As of January 25, 2016, there were 118 company-operated Hardee's restaurants, including 76 Red Burrito Dual Concept restaurants, and there were 1,687 domestic franchised Hardee's

restaurants, including 454 Red Burrito Dual Concept restaurants. Additionally, there were 324 franchised Hardee's restaurants operating outside the United States. Carl's Jr. restaurants have been franchised since 1984 and Green Burrito Dual Concept restaurants have been franchised since 1996. As of January 25, 2016, there were 167 company-operated Carl's Jr. restaurants, including 121 Green Burrito Dual Concept restaurants, and there were 986 domestic franchised Carl's Jr. restaurants, including 506 Green Burrito Dual Concept restaurants. In addition, there were 370 franchised Carl's Jr. restaurants operating outside the United States. Neither CKE nor its subsidiaries that operate the above-described franchise systems have offered franchises in any other line of business.

Except as described above, we have no other parents, predecessors or affiliates that must be included in this Item.

The Franchise Offered

The franchise we offer is for the operation of an automobile painting and body repair center using our trade names, trademarks, service marks and related logos, including the trademarks "Maaco Collision Repair & Auto Painting," "Maaco Auto Painting" and "Maaco Auto Painting & Bodyworks" (the "Proprietary Marks") under our standard Franchise Agreement (the "Franchise Agreement"). Our current form of Franchise Agreement is attached as Exhibit C. Also attached to this disclosure document is the form of Amendment to Franchise Agreement (Transfer) we currently use in resale transactions (Exhibit E), the form of Renewal Addendum to Franchise Agreement we currently use to renew franchises (Exhibit F), and the form of Addendum to Franchise Agreement (Additional Centers) we currently use if you are an existing franchisee purchasing an additional Maaco Center (Exhibit G).

MAACO offers a "Satellite Store Program" where an existing franchisee in good standing may purchase a store front offering the sale of MAACO's core services only to supplement the production done at the existing franchisee's Maaco Center (a "Satellite Store"). If you develop and operate a Satellite Store under the Satellite Store Program, you will sign the Satellite Store Addendum attached as Exhibit Z. MAACO also offers an "Express Store Program" where an existing franchisee in good standing may purchase a store front with one bay offering the sale of MAACO's core services to supplement the production done at the existing franchisee's Maaco Center as well as offering small, same day services at that location (an "Express Store"). If you develop and operate an Express Store under the Express Store Program, you will sign the Express Store Addendum attached as Exhibit AA.

In addition, we offer a "Conversion Program" where a franchisee that owns an existing repair facility that has been in operation for at least 2 years and that has been providing our core services converts the repair facility to a Maaco Center. If you are converting a repair facility to a Maaco Center, you will sign the Conversion Agreement attached as Exhibit X.

Unless otherwise noted in this disclosure document, the term "Maaco Center" includes Satellite Stores, Express Stores and Maaco Centers operating under the Conversion Program.

The various forms of agreements MAA has used in the past may have terms and conditions different from the current form of Franchise Agreement attached to this disclosure

document. We reserve the right to change the form and terms of the franchise agreement, addendums and related agreements used in the future.

Competition

The services and products of a Maaco Center are used primarily by the general public for body repair, repainting and refinishing of their personal automobiles. You will typically have to compete with other businesses performing similar services, including automobile dealerships, national or regional automotive centers and local body repair shops. We believe that you can compete effectively with other companies providing similar services as a result of the equipment and products, the advertising and promotional programs used by the Maaco Center, and the techniques which we and our affiliates teach you.

Laws and Regulations

Although we are not aware of any specific laws or regulations specific to the operation of a Maaco Center, you may be required to comply with certain federal, state and local hazardous waste and other environmental laws and regulations in the operation of your Center. In addition, you should be aware that there may be other general laws that apply to your Center's operation, and you should make further inquiries to find out about these laws and regulations.

Item 2

BUSINESS EXPERIENCE

Manager and Chief Executive Officer of MAACO; Chief Executive Officer and Director of Driven Brands; and Chief Executive Officer and Manager of MAA: Jonathan Fitzpatrick

Mr. Fitzpatrick has been a Manager and Chief Executive Officer of MAACO since its formation in June 2015. Mr. Fitzpatrick was appointed to the office of Chief Executive Officer and to serve on the Board of Directors of Driven Brands, and the Board of Managers of MAA and various Driven Brands' affiliates in July 2012. From July 2007 to June 2012, Mr. Fitzpatrick held various positions with Burger King Corporation, located in Miami, Florida, including Executive Vice President, Chief Brand and Operations Officer; Executive Vice President Global Operations; Senior Vice President of Operations, Europe Middle East and Africa (EMEA); and Senior Vice President, Development and Franchising.

President for Paint and Collision for Driven Brands: Jose Costa

Mr. Costa has been President for Paint and Collision for Driven Brands since October 2015. Mr. Costa was President of MAACO from its formation in June 2015 to October 2015. Mr. Costa also served as President of MAA and Driven Brands from April 2013 to October 2015. Mr. Costa served as Vice President of Marketing and Research & Development for Burger King Corporation, located in Miami, Florida, from February 2011 to March 2013 in their Latin American and Caribbean division.

President of MAACO and MAA: Jason T. Ryan

Mr. Ryan has been President of MAACO and MAA since October 2015. Mr. Ryan served as Chief Operating Officer of MAA from September 2012 to October 2015. From August 2003 to September 2012, Mr. Ryan held various positions with MAA, including Assistant Vice President of New Center Development and Vice President of Operations – Northern Region.

Executive Vice President and Secretary of MAACO and Executive Vice President, General Counsel, and Secretary of MAA and Driven Brands: Noah Pollack

Mr. Pollack has been Executive Vice President and Secretary of MAACO since its formation in June 2015. Mr. Pollack was appointed Executive Vice President, General Counsel, and Secretary of MAA, Driven Brands and various Driven Brands' affiliates in September 2012. From July 2011 to August 2012, Mr. Pollack was Brand Vice President and Brand Counsel, IHOP, for Dine Equity, Inc., located in Glendale, California. From September 2010 to July 2011, Mr. Pollack served in private practice as a member of NC Pollack Law, PLLC, located in Dallas, Texas.

Executive Vice President and Chief Financial Officer of MAACO and Driven Brands: Brian Nicholson

Mr. Nicholson has been Executive Vice President and Chief Financial Officer of MAACO, Driven Brands, and various Driven Brands' affiliates since September 2015. From June 2012 to September 2015, Mr. Nicholson was Vice President of Financial Planning & Analysis for Extended Stay America, Inc., located in Charlotte, North Carolina. From April 2004 to June 2012, Mr. Nicholson held various positions with The Fresh Market Inc., located in Greensboro, North Carolina, including Vice President of Planning, Analysis & Technology and Vice President of Business Strategy.

Vice President of Finance and Controller of MAACO and MAA and Vice President, Finance and Accounting of Driven Brands: Ed Moore

Mr. Moore has been Vice President of Finance and Controller of MAACO and MAA since August 2015. Mr. Moore has also served as the Vice President, Finance and Accounting for Driven Brands since October 2013. From June 2000 to October 2013, Mr. Moore was the Corporate Controller of Driven Brands.

Assistant Secretary of MAACO and Assistant Secretary and Assistant General Counsel of MAA and Driven Brands: Brian Romanzo

Mr. Romanzo has been Assistant Secretary of MAACO since its formation in June 2015. Mr. Romanzo was appointed Assistant Secretary and Assistant General Counsel of MAA, Driven Brands, and various Driven Brands' affiliates in September 2012. Since November 2013, Mr. Romanzo has served as General Counsel of Meineke Car Care Centers, LLC. From March 2010 to September 2012, Mr. Romanzo served as Associate General Counsel for Driven Brands.

Vice President of Franchise Sales of MAA: Robert Cambruzzi

Mr. Cambruzzi has been Vice President of Franchise Sales of MAA since April 2015. From March 2012 to April 2015, Mr. Cambruzzi was Director of Franchise Sales for Driven Brands. From February 2010 to March 2012, Mr. Cambruzzi worked at Husqvarna as Dealer Channel Sales in Charlotte, North Carolina.

Manager of MAACO and Manager of MAA: Ezra S. Field

Mr. Field has been a Manager of MAACO since its formation in June 2015. Mr. Field has been a Manager of MAA since April 2015. Mr. Field currently serves as Managing Director of RCG and Roark Capital Management, LLC, and their affiliates in Atlanta, Georgia. Mr. Field has been a Managing Director for those companies since 2007. Mr. Field is also a Director of Business Executives for National Security, as well as a Trustee of the Baltimore Leadership School for Young Women Support Foundation and Global Kids.

Manager of MAACO and Manager of MAA: Stephen D. Aronson

Mr. Aronson has been a Manager of MAACO since its formation in June 2015. Mr. Aronson has been a Manager of MAA since April 2015. Mr. Aronson currently serves as Managing Director and General Counsel of RCG and Roark Capital Management, LLC and their affiliates in Atlanta, Georgia. He has been a Managing Director for these companies since November 2008 and the General Counsel of these companies since November 2007. Mr. Aronson is currently a director of a number of affiliated franchisors described in Item 1.

Item 3

LITIGATION

Pending Actions

None.

Concluded Actions

James Gaarder, Trustee of the MCC Humble Auto Paint, Inc. Profit Sharing Plan and Trust v. MAACO Franchising, LLC, f/k/a Maaco Franchising, Inc., District Court of Harris County, Texas, Case No. 2015-37931, filed June 30, 2015. A former franchisee sued MAA, alleging fraud and violations of the Racketeer Influenced and Corrupt Organizations Act due to alleged false representations during the franchise sales process. The franchisee sought actual, exemplary, punitive, and treble damages, and attorneys' fees and costs. The case was removed to the United States District Court for the Eastern District of Pennsylvania. A motion to dismiss was filed by MAACO and, on January 1, 2016, the case was dismissed.

MAACO Franchising, LLC v. Anastasio E. Favila, Anita Q. Favila, and Teyac, Inc., United States District Court for the Eastern District of Pennsylvania, Case No. 2:14-cv-02837-TJS, filed May 19, 2014. MAA sued former franchisees alleging trademark infringement and unfair competition, false advertising, dilution of MAA's name and trademarks, breach of contract for

violation of the non-competition covenant in the Franchise Agreement, breach of contract for violation of the confidentiality provisions of the Franchise Agreement, unfair competition, and breach of the Polaris software agreement with MAA. MAA sought an injunction, money damages, declaratory judgment, an accounting of the defendant's profits, and costs and attorneys' fees against the defendant. The parties mutually settled the matter in September 2014, under which defendants conveyed the assets of their former franchised business to MAA in exchange for forgiveness of the defendants' debt.

MAACO Franchising, LLC v. Stefano Ghirimoldi and Lumat LLC, United States District Court for the Western District of North Carolina, Case No. 3:15-cv-00099, filed March 3, 2015. MAA filed a lawsuit against a former franchisee alleging trademark infringement and breach of the franchise agreement. MAA sought damages associated with unpaid franchise fees, advertising contributions and injunctive relief to enforce the non-compete covenant and trademark rights. The franchisee filed counterclaims against MAA alleging misrepresentation, unjust enrichment, and cancellation of certain MAA trademarks. The parties mutually agreed to settle the matter in January 2016 whereby the franchisee remitted a settlement payment of \$20,000 to MAACO without any admission of liability.

MAACO Franchising, LLC v. Robert Berlinger and Laviel Auto Collision, Inc., United States District Court for the Western District of North Carolina, Case No. 3:15-cv-00342, filed July 29, 2015. On July 29, 2015, MAA filed a lawsuit against a former franchisee alleging breach of the franchise agreements and, for the 2 locations where the former franchisee continued to operate using MAA's trademarks. MAA sought damages associated with unpaid franchise fees, advertising contributions and injunctive relief to enforce the non-compete covenant and trademark rights. On or about March 29, 2016, the parties entered into a settlement agreement, pursuant to which the parties mutually agreed to settle the matter, dismiss the lawsuit, and provide mutual general releases.

Kimberly Klepec and Jeffrey Klepec, Klepec Enterprises, LLC v. MAACO Franchising, LLC et al., Case No. 3:13-cv-03053; United States District Court for the Central District of Illinois. In February 2013, a former franchisee filed a lawsuit against MAA alleging common law fraud, breach of the implied covenant of good faith and fair dealing, as well as the Illinois Deceptive Business Practices Act. The plaintiff's allegations arise from the purchase of their franchise. In November 2013, the parties entered into a settlement agreement under which MAA agreed to pay the plaintiff \$150,000 over 3 years and the parties exchanged a release of claims.

Subject To Currently Effective Injunctive Order

State of Arizona, et rel, Thomas C. Horne, Attorney General vs. Econo Lube N' Tune, Inc., in the Superior Court of the State of Arizona in and for the County of Maricopa. On October 13, 2011, Econo Lube N' Tune, Inc., a predecessor of Econo Lube (an affiliate of MAACO), entered into a consent judgment with the State of Arizona that grew out of an investigation of the specific operations of a company-owned Econo Lube center located in Phoenix, Arizona. The investigation alleged that the center manager unnecessarily changed out an air-conditioning compressor on a customer's vehicle. As a result of the investigation, the State alleged violations of A.R.S. § 44-1522 (the State's consumer protection act). Econo Lube N' Tune, Inc. denied all of the allegations in the State's complaint that was filed contemporaneously with the consent

judgment. As a means to settle these allegations, the parties agreed to a consent judgment wherein, without agreeing to any of the allegations in the complaint, an agreed injunction was entered into by Econo Lube N' Tune, Inc. stipulating that it would not commit any unfair trade practices against its customers. The injunction also prohibits the company from further employing the center manager who allegedly committed these alleged unfair practices. As part of the consent judgment, Econo Lube N' Tune, Inc. agreed to pay the State of Arizona \$30,000 in civil penalties and \$10,494.63 in attorneys' fees.

Other than these actions, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

On March 3, 2008, Wood Structures, Inc. and its subsidiary, Wood Assonet Corporation (collectively, "Wood Structures"), each filed separate petitions for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Maine. In re Wood Structures, Inc. (Case No. 09-20245) and In re Wood Assonet Corporation (Case No. 09-20246). On April 7, 2009, pursuant to an order of the Bankruptcy Court, the Chapter 11 proceeding was converted to a Chapter 7 liquidation case. The case was closed on January 28, 2014 with the liquidation of Wood Structures. Prior to liquidation, Wood Structures had not engaged in business with us or our franchise system, nor had it offered franchises. Wood Structures was an affiliate of our predecessor solely as a result of common ownership.

On November 5, 2008, Ace Holding Company, LLC and its subsidiaries, Ace Mortgage Funding, LLC, Ace Imaging, LLC and Archer Land Title, LLC (collectively, the "Ace Companies"), each filed separate petitions for liquidation under Chapter 7 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. In re Ace Mortgage Funding, LLC (Case No. 08-12645-CSS), In re Ace Holding Company, LLC (Case No. 08-12642-CSS), In re Ace Imaging, LLC (Case No. 08-12644-CSS) and In re Archer Land Title, LLC (Case No. 08-12643-CSS). Those cases are pending. The Ace Companies have not engaged in business with us or our franchise system, nor have they offered franchises. The Ace Companies are our affiliates solely as a result of common ownership.

Except as described above, no bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

You must pay us a \$40,000 initial franchise fee in a lump sum when you sign the Franchise Agreement.

The initial franchise fee is uniform, except that if you are an existing franchisee in good standing or a new franchisee to the MAACO system and commit to develop and open more than one Maaco Center, you will pay an incremental initial franchise fee of \$20,000 for the second Maaco Center, \$17,500 for the third Maaco Center, and \$15,000 for the fourth and each additional Maaco Center. The total initial franchise fees you will pay us will be \$60,000 for 2

Maaco Centers, \$77,500 for 3 Maaco Centers, and \$92,500 for 4 Maaco Centers. If you commit to develop and open more than one Maaco Center at the same time, you must sign our Development Agreement and Franchise Agreement Addendum (Exhibit Y) and abide by a development schedule. We will insert the initial franchise fees in the Development Agreement and Franchise Agreement Addendum before signing it.

If you are an existing franchisee in good standing of one of our Driven Brands affiliates, and you commit to develop and open a Maaco Center, we will reduce your initial franchise fee as follows: (i) \$20,000 if the Center is your second Driven Brands franchised outlet, (ii) \$17,500 if the Center is your third Driven Brands franchised outlet, and (iii) \$15,000 if the Center is your fourth (or greater) Driven Brands franchised outlet.

If you own an existing repair facility that has been in operation for at least 2 years and that has been providing our core services, and you convert the repair facility to a Maaco Center, your initial franchise fee is \$25,000.

Under the Satellite Store Program and the Express Store Program, the initial franchise fee is \$7,500 per Satellite Store and Express Store.

You must secure a site for the Center by lease or purchase within 9 months from the date you sign the Franchise Agreement. If you fail to secure a site within this time period or, if at any time after you sign the Franchise Agreement and prior to the time you secure a site for the Center, we determine that (i) you have not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Center, or (ii) you have been uncooperative with MAACO during any one or more phases of the pre-operational process, we will have the right to terminate the Franchise Agreement by giving you written notice. If we elect to terminate the Franchise Agreement under these circumstances, we will refund, without interest, the amount of the initial franchise fee you paid less our costs and expenses relating to processing your application, including franchise sales commissions, and evaluating proposed locations, which costs and expenses will not be less than \$10,000, provided you sign a general release in form and substance satisfactory to MAACO. If you do not open your Center within 18 months from the date you sign the Franchise Agreement, then we can terminate the Franchise Agreement and retain all of your initial franchise fees.

Under the Satellite Store Program or Express Store Program, you must secure a site for the Satellite Store or Express Store by lease or purchase within 3 months from the date you sign the Satellite Store Addendum or Express Store Addendum (unless we grant you an extension at our sole option). If you fail to secure a site within this time period (or any extension period) or, if at any time after you sign the Satellite Store Addendum or Express Store Addendum and prior to the time you secure a site for the Satellite Store or Express Store, we determine that (i) you have not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Satellite Store or Express Store, or (ii) you have been uncooperative with MAACO during any one or more phases of the pre-operational process, we will have the right to terminate the Satellite Store Addendum or Express Store Addendum by giving you written notice. If we elect to terminate the Satellite Store Addendum or Express Store Addendum under these circumstances, we will retain all of your initial franchise fees. If you do not open your Satellite Store or Express Store within 3 months from the date you sign the Satellite Store

Addendum or Express Store Addendum, then we can terminate the Satellite Store Addendum or Express Store Addendum and retain all of your initial franchise fees.

Except as noted above, the initial franchise fee is not refundable in whole or in part under any circumstances.

You must pay us a non-refundable “Initial Training and Opening Fee” of \$5,000 when you arrive at the initial training program (or 30 days before you are scheduled to open the Center if you are an existing franchisee that is not attending the initial training program). We use the Initial Training and Opening Fee to cover expenses we incur in providing pre-opening and opening assistance, including the initial training program, real estate selection assistance, and financing assistance. Additional people may attend the initial training program if you pay their transportation and lodging expenses. We do not charge an Initial Training and Opening Fee under the Satellite Store Program or the Express Store Program.

You must use the 1Maaco shop management system (the “1Maaco System”) in your Center. You will not pay us an initial software license fee for the 1Maaco System, but you will pay us the monthly software license fees described in Item 6. However, if you are an existing franchisee in good standing who currently uses the Polaris Software in your existing Maaco Center, and you commit to develop and open an additional Maaco Center, you may elect to use the Polaris Software in the additional Maaco Center, rather than the 1Maaco System. If you qualify and choose to use the Polaris Software in your additional Maaco Center, you must pay us a non-refundable “Initial Software License Fee” of \$5,000 for access to the Polaris Software before we deliver possession of the Polaris Software to you or 30 days before the scheduled opening of the Maaco Center, whichever occurs first. You will pay an Initial Software License Fee of \$595 for each additional Maaco Center that uses the Polaris Software.

You must pay us a non-refundable “Initial Advertising Contribution” of \$20,000 when you arrive at the initial training program, or, if you are an existing franchisee and will not attend initial training, 30 days before opening. The Initial Advertising Contribution is \$15,000 under the Conversion Program and \$10,000 under the Satellite Store Program and Express Store Program. We will use the Initial Advertising Contribution for your pre-opening and grand opening promotions, promotional materials, initial crew ads, initial advertising of the Center and related activities arranged by us. The actual costs of this advertising and promotional programs may exceed your Initial Advertising Contribution, in which case we will charge you the difference. We do not charge you an Initial Advertising Contribution when you renew your franchise.

If you purchase an existing Maaco Center, you (or the transferring franchisee) must pay us all training and other fees due under the transferring franchisee’s franchise agreement, or in the absence of such a provision in the franchise agreement, you must pay us the then current fees we charge. Under our current Franchise Agreement, you must pay us an initial advertising deposit of \$10,000. We have the right to increase the amount of the initial advertising deposit by 10% per year from the date the transferring franchisee’s franchise agreement was signed to the date of the transfer. Further, under our current Franchise Agreement, we charge a resale initial franchise fee of \$15,000 if you purchase an existing Maaco Center from a transferring franchisee. You will pay the resale initial franchise fee when you sign the Franchise Agreement.

Older forms of the franchise agreement may or may not provide for a prorated portion of the initial franchise fee charged at the time of transfer based upon the amount of time that has elapsed under the transferring franchisee's franchise agreement. If the transferring franchisee's franchise agreement does not include a prorated initial franchise fee, you will be charged the full initial franchise fee upon the transfer of the Maaco Center because you must sign the current Franchise Agreement which includes the full initial franchise fee. If you fail to purchase the existing Maaco Center or the transfer of the Maaco Center is terminated due to reasons outside of your or the transferring franchisee's control, we, in our discretion, may refund, without interest, the amount of the fees you paid less our costs and expenses relating to processing your application, including franchise sales commissions, and training, which costs and expenses will not be less than \$5,000, provided you sign a mutual release in form and substance satisfactory to MAACO.

As described fully in Item 7, you may elect to purchase an equipment package, opening inventory, stationery, signage packages, and computer hardware from us or our affiliates. Based on current costs, we estimate your purchase of these pre-opening items from us or our affiliates will range from \$9,500 for Satellite Stores, Express Stores or Maaco Centers under the Conversion Program, to \$163,000 for Maaco Centers.

Item 6

OTHER FEES

Column 1	Column 2	Column 3	Column 4
Type of Fee¹	Amount	Due Date	Remarks
Royalty Fee	4% of gross receipts ² of the Center for the first 6 months you operate the Center; 9% of gross receipts ² of the Center for the remainder of the term of the Franchise Agreement	Payable weekly on Friday of each week on royalties due for the preceding calendar week by electronic withdrawal	We offer a 1% royalty reduction for timely payments under certain circumstances. We offer royalty reductions for qualified franchisees under certain circumstances. We reserve the right to modify or discontinue these policies in the future. ³

Column 1	Column 2	Column 3	Column 4
Type of Fee¹	Amount	Due Date	Remarks
Weekly Advertising Contribution	<p>\$850, or an amount equal to the weekly advertising budget of franchisees operating in your designated market area as of the date of the Franchise Agreement, whichever is greater</p> <p>Under the Satellite Store Program or the Express Store Program, the weekly advertising contribution is \$425, or an amount equal to half of the weekly advertising budget of franchisees operating in your designated market area, whichever is greater</p>	Payable weekly at same time weekly royalty payments are due	We have the right to increase this fee at any time after you sign the Franchise Agreement; provided, however, that the amount of any increase after the first 12 months you operate the Center may not exceed 10% per year. The amount of the increase is cumulative and, if we do not increase your advertising contribution by the maximum amount permitted in any given year, we may add the amount not charged to you in any given year to the amount chargeable to you in the subsequent year.
Weekly National Marketing Fee	\$70 for all Maaco Centers	Payable weekly at same time weekly royalty payments are due	We can increase to an amount equal to the current national marketing fee we charge. We will use this fee, in part, for national broadcast opportunities, national public relations and promotional efforts, Internet-related advertising (including maintenance and updates to national and local websites and social media marketing), and associated production expenses designed to promote the MAACO brand on a national level. We will notify you of any increases in the national marketing fee.

Column 1	Column 2	Column 3	Column 4
Type of Fee¹	Amount	Due Date	Remarks
Digital Marketing Fee	\$70 for all Maaco Centers	Payable weekly at same time royalty payments are due	We will use this fee for digital marketing efforts, including pay-per-click (“PPC”) advertising and directory listing maintenance. We will notify you of any increases in the digital marketing fee.
Telephone Fee	\$3-\$5 for all Maaco Centers	Payable weekly at same time royalty payments are due	We will use this fee to provide and maintain remote call forward (“RCF”) numbers for the purposes of tracking performance and, in some cases, recording phone calls. We will notify you of any increases in the telephone fee.
Software License Fee	\$409 per month	Payable monthly on first of each month	You must pay us a monthly software license fee for access to the 1Maaco System.
Audit Expenses	Cost of audit, including the charges of any independent accountant and the travel expenses, room and board and compensation of our employees	Upon receipt of audit report	Payable only if audit discloses an understatement of your gross receipts or if you fail to produce all books and records to be audited at the time specified by us.
Sales Commission	10% of the gross sales price of the Center or \$30,000, whichever is greater	On or before closing date	Paid to us if we obtain for you a purchaser for your Center or if you sell your Center to an individual under an agreement with us.
Transfer Fee	\$2,500	Prior to effective date of transfer	
Renewal Fee	\$2,500	On or before renewal date	Payment to be included with renewal documents.
Interest on Late Payments	The maximum rate permitted by law or, in the absence of such rate, a rate equal to 1½% per month	As incurred	Any payment or other amount you owe us or our affiliates or subsidiaries will bear interest, compounded monthly, after the due date.
Insurance Reimbursement	Policy cost plus reasonable fee for our expenses	As incurred	If you do not obtain the required insurance coverage, we may secure coverage for you and charge you for our costs and expenses.

Column 1	Column 2	Column 3	Column 4
Type of Fee¹	Amount	Due Date	Remarks
Indemnification	Will vary under circumstances	As incurred	You must indemnify and hold us, our parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their individual and corporate capacities, harmless against any and all claims arising from the operation of the Center.
Costs of Enforcement	Will vary under circumstances	As incurred	Includes any judgment, reasonable attorneys' fees, court costs and expenses of litigation.
Sublease Payments	Will vary under circumstances	Monthly	Although we or our affiliates generally do not sublease the Center premises to you, if we do so, the rent under the sublease may exceed the rent we (or our affiliate) pay to the prime landlord. The mark-up will generally not exceed 10% of the rent and other charges due under the prime lease.
Technology Fee	Currently, \$0	Weekly	We reserve the right to charge you a weekly technology fee.

1/ All fees are uniformly imposed by and, except as otherwise noted, payable to us. All fees are non-refundable except as noted in Item 5.

2/ "Gross receipts" is defined in the Franchise Agreement as all cash collected or other consideration received, for all sales of merchandise and services of any nature at or from or as a result of the Center, including sub-let labor and new and used replacement parts, less sales or equivalent taxes.

3/ If the weekly royalty fees and advertising contributions are paid by Friday for the previous week's business and are submitted to us with the required statements (or available at the time we initiate an electronic withdrawal), the royalty fee payable will be reduced to 8% of gross receipts as a cash discount, if you are current as of the date of payment with all weekly royalty fees, advertising contributions and any other monies due us and you promptly report all gross receipts to us. There are no cash discounts on royalty fees during the first 6 months you operate the Center or if you have a royalty fee of less than 9% of gross receipts.

Under the Conversion Program, the royalty fee is 3% of weekly gross receipts in the first year you operate the Center, 5% of weekly gross receipts in the second year you operate the Center, and 8% of weekly gross receipts in the third year you operate the Center, after which you will pay the standard royalty fee (9% of gross receipts, subject to the cash discount noted above).

Under the Satellite Store Program and Express Store Program, the royalty fee is 8% of weekly gross receipts of the Satellite Store or Express Store.

We participate through our affiliate, MAA, in the International Franchise Association's VetFran Program, which provides a 2% discount on the royalty fees during the first 6 months of a Maaco Center's operations to veterans of U.S. armed forces who otherwise meet the requirements of the VetFran Program, meaning that veterans of U.S. armed forces will pay royalty fees of 2% of gross receipts during their Maaco Centers' first 6 months of operation.

4/ There are no advertising cooperatives. For information concerning advertising and promotional programs we administer, see Item 11.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount		Column 3 Method of payment	Column 5 When due	Column 6 To whom payment is to be made
	Conversion, Satellite Program or Express Program (1)	Traditional Maaco Center			
Initial Franchise Fee (2)	\$25,000 (Conversion Program) \$7,500 (Satellite or Express Program)	\$40,000	Lump Sum	Upon signing Franchise Agreement	Us
Initial Training and Opening Fee (3)	\$5,000 for 1 person (Conversion Program) \$0 (Satellite or Express Program)	\$5,000 for 1 person	Lump Sum	Upon arrival at initial training program (or 30 days prior to opening if you are an existing franchisee who does not attend initial training program)	Us

Column 1 Type of expenditure	Column 2		Column 3 Method of payment	Column 5 When due	Column 6 To whom payment is to be made
	Conversion, Satellite Program or Express Program (1)	Traditional Maaco Center			
Initial Advertising Contribution (4)	\$15,000 (Conversion Program) \$10,000 (Satellite or Express Program)	\$20,000	Lump Sum	Upon arrival at initial training program (or 30 days prior to opening if you are an existing franchisee who does not attend initial training program)	Us
Equipment (5)	\$7,000	\$182,797	Lump Sum	Before we or our designee delivers possession of the equipment to you	Us, Affiliate or Outside Suppliers
Opening Inventory and Supplies (5)	\$7,124	\$19,582	Lump Sum	Before we or our designee delivers possession of the opening inventory and supplies to you	Us, Affiliate or Outside Suppliers
Stationery and Promotional Materials (5)	\$338	\$505	Lump Sum	Before we or our designee delivers possession of the stationery and promotional materials to you	Us, Affiliate or Outside Suppliers
Signage (5)	\$4,000	\$14,000	Lump Sum	Before we or our designee delivers possession of the signage to you	Us, Affiliate or Outside Suppliers
Miscellaneous Opening Costs (6)	\$20,000	\$45,000	Lump Sum or As Incurred	As incurred	Us, Affiliate or Third Parties
Initial Software License Fee	\$0 to \$5,000	\$0 to \$5,000	Lump Sum	Before we or our designee delivers possession of the software to you	Us

Column 1 Type of expenditure	Column 2 Amount		Column 3 Method of payment	Column 5 When due	Column 6 To whom payment is to be made
	Conversion, Satellite Program or Express Program (1)	Traditional Maaco Center			
Initial Computer Hardware	\$1,400	\$5,168	Lump Sum	Before we or our designee delivers possession of computer hardware to you	Affiliate or Outside Suppliers
PREOPENING TOTAL ESTIMATED INITIAL INVESTMENT	Conversion Program: \$84,862 to \$89,862 Satellite and Express Programs: \$57,362 to \$62,362	\$332,052 to \$337,052			
Additional Funds - 3 Months (7)	\$8,600 to \$55,250	\$43,000 to \$150,000	As Incurred	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (PRE-OPENING AND FIRST 3 MONTHS OF OPERATION) (8)	Conversion Program: \$93,462 to \$145,112 Satellite and Express Program: \$65,962 to \$117,612	\$375,052 to \$487,052			

The above estimates do not take into consideration any revenue derived during the first 3 months of operation. Unless otherwise noted, none of the expenses listed in the table above are refundable.

Explanatory Notes

1. These estimates relate to the Conversion Program, Satellite Store Program and Express Store Program. As described in Item 1, under the Conversion Program, a franchisee converts an existing repair facility to a Maaco Center. Under the Satellite Store Program and the Express Store Program, an existing franchisee may purchase a Satellite Store or Express Store providing sales of MAACO's core services in connection with an existing Maaco Center.

2. You must pay us an initial franchise fee of \$40,000 for a Maaco Center, \$7,500 for a Satellite Store or Express Store, or \$25,000 for a Maaco Center under the Conversion Program. The initial franchise fees are payable to us and are refundable only as described in Item 5.

3. You must pay us the applicable Initial Training and Opening Fee when you arrive at the initial training program (or 30 days before you scheduled opening if you are an existing franchisee and not attending the initial training program). There is no Initial Training and Opening Fee if you develop a Satellite Store or Express Store.

4. You must pay us an Initial Advertising Contribution when you arrive at the initial training program or, if you are an existing franchisee and will not attend initial training, 30 days before opening. We use the Initial Advertising Contribution for your pre-opening and grand opening promotions, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual costs of this advertising and promotional programs may exceed your Initial Advertising Contribution, in which case we will charge you the difference.

5. We will provide you with specifications for the initial inventory, supplies, equipment, and signs required for the opening of the Center (see Exhibit D). You can purchase these items directly from our affiliate. Our affiliate does not manufacture these items, but it purchases them from various suppliers, in many cases at discount volume prices, and resells them to our franchisees at or below the supplier's suggested retail prices. The amounts stated in the table above represent the estimated costs should you purchase these items from our affiliate and includes installation of equipment (excluding sign installation). The amounts stated may vary considerably should you elect to purchase these items from any other source or third party due to such factors as price differentials between suppliers, shipping distances and installation charges. If you purchase these items from our affiliate, you must pay it the amounts before it delivers the equipment, inventory, supplies or signage to you. If any item is not available, we or our affiliate may substitute an equivalent item and adjust the price accordingly. If we or our affiliate incurs an increase in the price of any of these items, we reserve the right to pass this increase on to you. The amounts stated do not include the cost of purchasing computer hardware as further described in Item 11. You must also pay \$900 for stationery packages and promotional materials. If you purchase these items from our affiliate, they must be paid for before it delivers these items to you.

6. This item estimates costs for architectural and engineering fees, permits (including air quality), deposits for and installation of telephones and indoor signs, miscellaneous office furniture, equipment and supplies, fax machine, copy machine, miscellaneous shop equipment and supplies, security deposit on lease and deposits for insurance, gas, electric and

related items, and are payable as incurred to third parties. These costs do not include the cost of any leasehold improvements, if any are necessary, which are customarily negotiated between you and the landlord.

7. This item estimates your initial start-up expenses for a 3-month period (including leasehold improvements, rent, and advertising) and working capital needed for the start-up period. The start-up period can last as long as 12 to 18 months following opening of the Center. Expenses for the Center include payroll costs but do not include any draw or salary for you. These figures are also intended to cover utilities, telephone, legal/accounting expenses, rubbish and hazardous waste removal, local advertising and materials, supplies and parts. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Center or during the start-up period. Your costs will depend on factors such as how much you follow our methods and procedures; your management skills, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the initial period and whether you perform services personally.

If you operate a traditional Maaco Center, you must lease an appropriate building to operate the Center. Most leases are triple net, and the term of the lease is usually 15 years (an initial 5-year term plus 2 5-year options). Typical locations for a Maaco Center are general business districts and commercial/industrial zoned suburban markets. The typical building for a Maaco Center will be of masonry or metal construction, having approximately 7,200 – 10,000 square feet of floor space with appropriate access for automobiles. Rents can range from \$4,500 per month to \$12,500 per month, or more, depending on market conditions. The rent will be paid to a third-party landlord or to us or our affiliate where we own or hold the prime lease for the Center's premises. Landlords customarily require that you personally guaranty the lease for the premises. The costs of leasehold improvements and related services needed for the Center's premises may vary depending on the size, condition and location of the premises leased, and are paid to third-party landlords and other suppliers of goods and services. However, we estimate that the typical leasehold improvements for a Maaco Center will range from \$50,000 to \$150,000, to be amortized over the initial term of the lease, and/or third party financing, and/or from cash reserves.

If you operate a Satellite Store or an Express Store, you must lease space to operate the Satellite Store or Express Store. Most leases are triple net, and the term of the lease is usually 15 years (an initial 5-year term plus 2 5-year options). Typical locations for a Satellite Store or Express Store are general business districts and strip malls and have approximately 500 – 2,000 square feet of floor space. Rents can range from \$500 per month to \$2,000 per month, or more, depending on market conditions. The rent will be paid to a third-party landlord or to us or our affiliate where we own or hold the prime lease for the premises. Landlords customarily require that you personally guaranty the lease for the premises. The costs of leasehold improvements and related services needed for the premises may vary depending on the size, condition and location of the premises leased, and are paid to third-party landlords and other suppliers of goods and services. However, we estimate that the total typical leasehold improvements for a Satellite Store or Express Store will range from \$15,000 to \$40,000 to be amortized over the initial term of the lease, and/or third party financing, and/or from cash reserves.

8. We relied on our predecessors' experience of over 40 years in this business to compile these estimates and on information MAA has obtained from franchisees. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not offer financing directly or indirectly for any other part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. The estimate does not include any finance charge, interest or debt service obligation.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must follow the standards and specifications we periodically establish for the inventory and supplies, equipment, computer hardware and indoor and outdoor signs required for the Center. You are not currently required to purchase or lease from us or our designee goods, services, supplies, fixtures, equipment, inventory or real estate relating to the establishment or operation of the Center. You may purchase them from any approved supplier. Driven Product Sourcing is currently an approved supplier. Driven Product Sourcing is not the only approved supplier, but we, Driven Product Sourcing or one of our other affiliates may be so for certain goods and services in the future. We do not maintain a list of approved suppliers. However, any supplier who is able to provide equipment, inventory and/or supplies, signage and computer hardware meeting our specifications is, in effect, an approved supplier.

A list of our specifications, which may include minimum standards for delivery, performance, warranties, design and appearance and local zoning, sign and other restrictions for the Center are contained in our Planning Your Opening and Operating Manuals. We also will provide specifications for the MAACO National Sign. We will loan a copy of our Manuals (defined in Item 11) to you during the term of the Franchise Agreement. You may purchase or lease original and replacement equipment, fixtures, signs and inventory meeting these specifications from any source. However, if you propose to purchase or lease any item of equipment or inventory, computer hardware or any fixture or sign not previously approved by us as meeting our specifications, you must first notify us, and we may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether the item of equipment or inventory or the fixture or sign meets our specifications. We will advise you within a reasonable time (60 days) whether the item of equipment or inventory or the fixture or sign meets our specifications. Our approval of a supplier may be revoked upon written notice to you.

You may purchase any or all of the equipment, opening inventory and supplies, computer hardware and the indoor and outdoor signs, including the MAACO National Sign, necessary to open the Center from an affiliate. Our affiliates will supervise and/or inspect the installation of equipment, fixtures and signs, and will instruct you in their proper use and care. You must license the shop management system from us or our designated supplier. You will license the 1Maaco System from AudaExplore and sign a license agreement with AudaExplore. In addition, you will pay us a monthly \$409 software license fee. The price charged for items described in this paragraph will in some cases exceed the cost to us or our affiliate of these items. As

previously noted, in many cases we are able to purchase these items at discount volume prices, and resell them to our franchisees at or below the supplier's suggested retail price. If any item is not available, we may substitute an equivalent item and adjust the price accordingly. If we or our affiliates incur an increase in the price of any of these items, we reserve the right to pass this increase on to you.

An affiliate of ours will be a supplier of paint, abrasives and certain other inventory items. We or an affiliate may make a profit from the sale of these items and from the sale of any goods and services offered in the future. In many cases, we or an affiliate are able to purchase items at discount volume prices, and resell them to our franchisees at or below the supplier's suggested retail price. If any item is not available, we may substitute an equivalent item and adjust the price accordingly. You must purchase from suppliers we approve, which may be us or our affiliates, paint, abrasives and other products as we may specify from time to time to ensure the integrity of certain marketing programs, and, among other things, facilitate and support purchasing programs and arrangements we negotiate for the franchise system.

MAA was the franchisor of Maaco Centers prior to July 2015 and sold equipment, inventory, supplies and signs to franchisees. In the fiscal year ending December 26, 2015, MAA's revenue from the sale of all equipment, inventory, supplies and signs to MAACO franchisees was \$42,404,363, representing 51% of its total revenue of \$83,324,042. During 2015, we did not derive any revenues or other material consideration from franchisees' direct purchases or leases. Approximately 78% of your total purchases in connection with the establishment of your Center and approximately 95% of your overall purchases in operating the Center will be purchased from us or our affiliates, approved suppliers or in accordance with our standards and specifications.

In the fiscal year ended December 26, 2015, neither we, MAA nor our affiliates received any payments or rebates from any suppliers because of their transactions with our franchisees although we reserve the right to do so in the future. We do negotiate purchase arrangements with suppliers for your benefit. We do not provide any material benefits to you based on your use of designated or approved sources. There are no purchasing or distribution cooperatives.

Some of our officers own an indirect interest in MAA. Otherwise, no officers of MAACO own an interest in any supplier.

As described in Item 11 below, we designate in the Franchise Agreement the area in which the Center must be initially located and must approve your selection of the site for the Center within that area. The Center's premises will be leased from a third-party landlord or from us or our affiliate where we own or hold the prime lease for the premises. If you, or one of your affiliates, acquires the premises where the Center is located at any time during the term of the Franchise Agreement, you, or your affiliate, must provide us with the option to purchase the property or to enter into a lease with you upon termination or expiration of the Franchise Agreement in accordance with our Option to Purchase or Lease Agreement (Exhibit P). As further described in Item 6, if you sublease the premises from us or our affiliate, the rent may exceed the amount paid by us or our affiliate to the prime landlord.

As indicated in Item 5 above, you must pay us an Initial Advertising Contribution when you arrive at the initial training program (or 30 days prior to opening if you are an existing franchisee who does not attend training) for promotional material, pre-opening and grand opening advertising, initial crew ads, initial advertising of the Center and related activities. The Initial Advertising Contribution is paid to us to purchase these advertising and promotional materials. You must participate in our advertising programs. Printz Advertising, a division of MAA, currently administers our advertising program and purchases advertising and promotional materials from non-affiliated third parties. Printz Advertising receives certain discounts and commissions for media placement.

You must purchase and maintain in effect certain policies of insurance. Currently, you are required to maintain public liability insurance, including employer's liability, garage liability, pollution liability, garagekeeper's legal liability, employment practices liability and commercial umbrella coverage against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Center and worker's insurance and other insurance required by law. The insurance carrier must be rated A+ or better by A.M. Best Company and be authorized to transact business in the state where the Center's premises is located. We may also increase the policy limits or minimum liability protection or require different or additional kinds of insurance and all policies of insurance must name us and any other party designated by us as an additional insured. Neither we nor our affiliates will derive revenue as a result of such purchases.

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Paragraph 2 of Franchise Agreement	Items 7 and 11
b. Pre-opening purchases/leases	Paragraph 7A and 7B of Franchise Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Paragraph 2 and 7 of Franchise Agreement	Items 7 and 11
d. Initial and ongoing training	Paragraph 7B, 7C and 7D of Franchise Agreement	Item 11
e. Opening	Paragraph 2E of Franchise Agreement	Items 5 and 11
f. Fees	Paragraph 3C, 5 and 6 of Franchise Agreement	Items 5, 6 and 7

Obligation	Section in agreement	Disclosure document item
g. Compliance with standards and policies/Operations Manual	Paragraph 7 and 10 of Franchise Agreement	Items 11 and 16
h. Trademarks and proprietary information	Paragraph 9, 10 and 11 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Paragraph 7A and 7I of Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Paragraph 7F and 8 of the Franchise Agreement	Item 16
k. Territorial development and sales quotas	Paragraph 1B and 1C of Franchise Agreement	Item 12
l. On-going product/service purchases	Paragraph 7E, 7I and 7L of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Paragraph 7E of Franchise Agreement	Not Applicable
n. Insurance	Paragraph 13 of Franchise Agreement	Items 6 and 8
o. Advertising	Paragraph 5B and Section 6 of Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Paragraph 20C of Franchise Agreement	Not Applicable
q. Owner's participation/ management/ staffing	Paragraph 18A of Franchise Agreement	Item 15
r. Records/reports	Paragraph 12 of Franchise Agreement	Not Applicable
s. Inspections/audits	Paragraph 12 of Franchise Agreement	Not Applicable
t. Transfer	Paragraph 14 of Franchise Agreement	Item 17
u. Renewal	Paragraph 3 of Franchise Agreement	Item 17
v. Post-termination obligations	Paragraph 16 of Franchise Agreement	Item 17
w. Non-competition covenants	Paragraph 18 of Franchise Agreement	Item 17
x. Dispute resolution	Paragraph 25 of Franchise Agreement	Item 17

Item 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation. Our franchisees are eligible for expedited SBA loan processing through SBA's Franchise Registry Program, www.franchiseregistry.com.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

As noted in Item 1, we have entered into a management agreement with Driven Brands for the provision of support and services to Maaco franchisees. Driven Brands may delegate certain of these responsibilities to MAA, the previous franchisor of Maaco franchises. However, we remain responsible for all of the support and services required under the Franchise Agreement.

Pre-Opening Assistance

Before you open the Center, we or our designee will:

1. Designate the area in which you may seek and select a site for your Center (Paragraph 1 of the Franchise Agreement).
2. Provide site specifications and standards for general location and zoning, neighborhood, parking requirements, layout and other physical characteristics and lease terms and conditions for your Center (Paragraph 2 of the Franchise Agreement).
3. As previously described in Item 8, provide you with the specifications for the initial and replacement inventory and supplies, equipment, and exterior and interior signs required for the Center (Paragraph 4D of the Franchise Agreement).
4. Provide you with opening promotion and initial advertising for the opening of the Center (Paragraph 4B of the Franchise Agreement).
5. Provide you with a digital copy of the operating manual (the "Manuals") when you arrive for the initial training program (Paragraph 4E of the Franchise Agreement).
6. Train you in the operation of a Maaco Center (Paragraph 4A of the Franchise Agreement).

Ongoing Assistance

During your operation of the Center, we or our designee will:

1. Provide continuing advisory assistance for the operation of the Center as we deem appropriate (Paragraph 4C of the Franchise Agreement).

2. Spend all advertising contributions for advertising and promotion, as further described in this Item, but we will not be obligated to spend these advertising contributions during the year in which you contribute (Paragraph 6.1 of the Franchise Agreement).

3. We will loan to you a digital copy of our Manuals containing mandatory and suggested specifications, standards, operating procedures and rules as we periodically require, as well as information relative to your other obligations under the Franchise Agreement and to the operation of the Center. The Manuals will remain confidential and our property. We will have the right to add to or otherwise modify the Manuals from time to time as we deem necessary, provided that any addition or modification will not materially alter your fundamental status and rights under the Franchise Agreement unless we determine that the changes are necessary or desirable to respond to changing market conditions or to enable our franchisees to compete more effectively in the market place (Paragraphs 4E and 10 of the Franchise Agreement). Attached as Exhibit T is a copy of the table of contents of our Manuals as of the date of this disclosure document. The Manuals contain a total of approximately 1,404 pages.

4. We will conduct, as we deem advisable, inspections of the Center and evaluations of the auto painting and body repair services rendered at the Center (Paragraph 4F of the Franchise Agreement).

5. We may require you to attend additional training programs, as described in this Item 11. We are unable at this time to estimate the cost which you will incur in connection with attendance at such training programs (Paragraph 7C of the Franchise Agreement).

Advertising and Promotion

We have the right under the Franchise Agreement to pay from the advertising funds we collect from you all costs and expenses for the formulation, development, production, media, including website development and costs, Internet development and costs, toll free center locator costs, and all other costs for any advertising or promotion (including the proportionate compensation of our employees who devote time and render services in the conduct, formulation, development and production of advertising and promotion programs or who administer these funds).

We are not obligated to develop, implement or administer these programs to insure that expenditures which are proportionate or equivalent to your contributions are made for a particular Maaco Center or that any Maaco Center will benefit directly or pro rata from the placement of advertising. We are not required to spend any amount on advertising in your area. No percentage of the funds collected are used for advertising that is principally a solicitation for the sale of franchises. Although advertising contributions and expenditures are not separately audited, they are reconciled as part of the preparation of our audited financial statements. If you request in writing, we will provide an annual statement of receipts and disbursements for any advertising contributions payable under the Franchise Agreement. The media in which advertising is disseminated includes, but is not limited to, TV, radio, print advertising, Internet,

mobile, social and other new media. In addition to investing in media, we reserve the right to create and manage call tracking numbers and invest in other forms of media performance tracking methods. Currently, advertising is conducted on a local and regional basis; however, we continue to research national opportunities and reserve the right to conduct advertising nationally. Of the amounts spent on advertising and promotion in the fiscal year ending December 26, 2015, 93% of expenditures were for media placement and promotional items supplied to Maaco Centers and 7% of expenditures were for administrative fees (Paragraph 5 of the Franchise Agreement). MAA also spent its own funds for advertising and promotional purposes. We may increase the amount of your advertising contributions and you must pay these increased amounts under the Franchise Agreement. After the first 12 months of operation, the amount of these increases will not exceed 10% per year. The amount of the increase in advertising contributions is cumulative. Therefore, if we do not increase your advertising contribution by the maximum amount permitted in any given year, we may add the amount not charged to you in any given year to the amount chargeable to you in subsequent years. Where we or our affiliates operate any Maaco Centers, we make the same advertising contributions as current franchisees in that market. We currently have an advertising council composed of franchisees. You are not required to participate in a local or regional advertising cooperative.

We will be the owner of and will secure multiple RCF (remote call forward) (see Paragraph 6.2 of Exhibit C to the Franchise Agreement) telephone numbers for use in Yellow Page advertising and other print and digital media. RCF numbers will be used for both online and print tracking purposes and calls may be recorded. We may choose to redirect calls from RCF numbers to a call center in the future. We have the right to control all Yellow Page advertising, telephone numbers and other directory, both in print and online. We may require you to use other directories from time to time. We will determine, at our sole discretion, the size of display advertisements and the type of advertisement to be placed in all Yellow Page advertisements. We will place all Yellow Page advertising for you. In addition to the payments described above, you must pay us the annual costs of Yellow Page advertising which will be billed to you. You must remit these payments on a weekly basis in addition to the payments referenced above. If you share the Yellow Page advertising with other franchisees, the costs will be apportioned among all participating franchisees. You must also reimburse us for all telephone bills and charges paid by us for the telephone and telephone number used at the Center when you receive the invoice from us or, at our request, you must pay the telephone bill and RCF charges directly upon receipt from us or the telephone company. In the event that we determine Yellow Pages to be an ineffective means of advertising, we reserve the right to invest current Yellow Page contributions in other online directories and media.

Printz Advertising, a division of MAA, administers all advertising and promotional programs. Unless otherwise approved, advertising and promotion contributions you pay to us are paid to Printz Advertising to purchase advertising, promotional materials, telemarketing, Maaco Center location numbers and website development and related charges from non-affiliated third parties. Printz Advertising receives discounts or commissions from the placement of advertising; the average discount or commission, according to industry standards, is approximately 15% of the media buy. These amounts may be used, in whole or in part, to cover the cost of administering and creation of the advertising programs.

All advertising by you in any medium must be dignified and must conform to our standards and specifications, including but not limited to website and social media. Neither individual nor multi-store owners may create and maintain their own websites or social media sites. We will create and maintain these properties to ensure they are consistent with MAACO standards. You must submit to us, for prior approval, samples of all advertising and promotional plans and materials that have not been prepared or previously approved by us. You must notify us of any placement of a RCF number in any advertising medium, as we will recommend and provide a unique RCF number to be used for performance tracking. We reserve all rights to online listings. You must cooperate in any attempts by Printz Advertising to gain access and control of directory listings for the purposes of maintaining a competitive search engine ranking, through consistent representation of the business name and information. All content posted on local sites needs to be approved by us.

As described in Item 6, you must pay us a continuing weekly advertising contribution of \$850, or an amount equal to the weekly advertising budget of franchisees operating in your designated market area, whichever is greater. If you operate a Satellite Store under the Satellite Store Program or an Express Store under the Express Store Program, the weekly advertising contribution is \$425, or an amount equal to half of the weekly advertising budget of franchisees operating in your designated market area, whichever is greater. Except for franchisees under older forms of franchise agreement, all of our franchisees must contribute at the same rate.

You must also pay us a weekly National Marketing Fee for national broadcast opportunities, national public relations and promotional efforts, Internet-related advertising (including both maintenance and updates to national and local websites and social media marketing) and associated production expenses designed to promote the MAACO brand on a national level. Finally, you must pay us a Digital Marketing Fee of \$70 per week for digital marketing efforts such as pay-per-click. Only our approved PPC (pay-per-click) vendor partner will be allowed to use our Proprietary Marks in Google Adwords or other online advertising channels. You are not permitted to run your own campaigns for your Center.

Computer Hardware and Software

You must purchase and use our designated shop management system in the operation of your Center. We have the right to modify, substitute or discontinue the designated shop management system at any time at your expense. We have independent access to all the information and data generated and maintained on the designated shop management system. There are no contractual limitations on our right to access the information.

You must use the 1Maaco System, which provides a shop management system including scheduling, parts ordering, estimating, reporting, and point-of-sale functionality. There is no initial software license fee, but you must pay us a \$409 software license fee each month. In addition, if you want specialized training on the use of the 1Maaco System, it will cost \$1,000 per day. This training is not required. We will provide you with the specifications for the hardware used with the 1Maaco System. If you elect to operate the 1Maaco System from a DVD-based system, those requirements include a hard drive with 60GB or higher, a DVD Rom 8x or faster that is able to read dual layer DVDs, and a Windows operating system. If you elect to operate the 1Maaco System from a web-based system, those requirements include a hard drive

with 60GB or higher and a Windows operating system. You must also sign a software license agreement with AudaExplore.

Existing franchisees that use the Polaris Software in their existing Maaco Centers have the option of using the Polaris Software or the 1Maaco System in any additional Maaco Center they develop and open. All existing franchisees using the Polaris Software also will have the opportunity to convert to the 1Maaco System. MAA ceased providing any updates or fixes to the Polaris Software on January 1, 2015.

You must dedicate a telecommunications line for the sole purpose of supporting the computer system. You must also subscribe to an Internet service provider approved by us with broadband Internet connection. At our election, you must obtain telecommunications and computing infrastructure products required to support our then current information technology systems.

Location

You must use your best efforts to seek and select a proposed location for the Center. You must submit to us a description of the location and any other information or materials we may require to evaluate the site (Paragraph 2A of the Franchise Agreement).

We will provide site specifications and standards for general location and zoning, neighborhood, parking requirements, layout and other physical characteristics and lease terms and conditions for Maaco Centers, including lease duration and rental, or terms of purchase, including debt service, in the event you are purchasing the location for the Center. You must submit the lease (if any) to us for our approval before you sign it. We will not unreasonably withhold our approval of the lease, and the lease must, among other things, provide that:

- a) The premises will only be used for the operation of your Center;
- b) You will not sublease or assign the lease or any part of the lease;
- c) We will have the right to enter the premises to make any modifications necessary to protect the Proprietary Marks; and
- d) We will have the right, at our election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise Agreement.

In addition, at our request, you must execute a Collateral Assignment of Lease and Consent and Agreement of Lessor (Exhibit H) to secure your obligations to us under the Franchise Agreement. If you own the property, you must execute an Option to Purchase or Lease Agreement (Exhibit P) giving us the right to become a lessee or owner of the property in the event the Franchise Agreement is terminated or expires (Paragraphs 2B, 2D and 17 of the Franchise Agreement).

Typically, it can take approximately 18 months between the time you sign the Franchise Agreement and the time that the Center becomes operational. This period may vary depending,

in part, upon availability of sites in a particular area, the location, condition of the site and your diligence.

Training

The initial training program customarily includes 3 weeks of intensive training in the operation and management of the Center, which is provided after you secure the location for the Center. We reserve the right to shorten the length of any training class with less than 4 attendees. The initial training program will be conducted at our headquarters or another training site we choose between 8 and 10 times annually. The training is in management methods and techniques rather than in mechanical skills. The methods and techniques include selling our services; local advertising and promotion; familiarization with paints, related solvents and thinners, painting equipment and its maintenance; safety regulations; basic estimating procedures; parts inventory control; management of manpower, production and workflow; customer relations; telephone communications; national and local fleet accounts; accounting, budgeting, reporting and record keeping; insurance requirements; and facilities maintenance. Confidential and detailed training and procedural PowerPoint slides, printed handouts, and related documents comprise the instructional materials for our initial training program. We may provide these materials in hardcopy or electronic format. While there is no specified time in the Franchise Agreement for your training, you must successfully complete the initial training program in our sole opinion before opening the Center. As part of your Initial Training and Opening Fee, we will provide you (or if you are an entity, one of your owners) with round trip transportation to and from the training site and with lodging for the initial training program. Additional people may attend the initial training program if you pay their transportation and lodging expenses. You must bear all other expenses during the initial training program. If you are unable to complete the initial training program to our satisfaction, we may, upon written notice to you, terminate the Franchise Agreement. If you are an existing franchisee, we can require you or you can elect to attend the initial training program before the Center opens. If you open a Satellite Store under the Satellite Store Program or an Express Store under the Express Store Program, you are not required to attend the initial training program. In addition, we will provide 2 to 4 weeks of on-site assistance and training upon or after you open the new Center.

The following chart describes our 3-week training program:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The- Job Training¹	Column 4 Location
Sales Training	24	0	Charlotte, North Carolina
MIS: Audatex / One Maaco	16	0	Charlotte, North Carolina
Estimating	16	0	Charlotte, North Carolina
Hands on Production / Shop	16	0	Charlotte, North Carolina
Production Management	8	0	Charlotte, North Carolina
Business Plan Development	5	0	Charlotte, North Carolina

HR / Personnel	4	0	Charlotte, North Carolina
Equipment Training	4	0	Charlotte, North Carolina
Marketing / Advertising	3	0	Charlotte, North Carolina
Maaco Mindset	3	0	Charlotte, North Carolina
Sales Management	2	0	Charlotte, North Carolina
Customer Management	2	0	Charlotte, North Carolina
Forecasting / Profit Control	2	0	Charlotte, North Carolina
Trade Account Overview	3	0	Charlotte, North Carolina
National Fleet Overview	1	0	Charlotte, North Carolina
Inventory Control / Purchasing	2	0	Charlotte, North Carolina
Dealer Access Overview	2	0	Charlotte, North Carolina
Environmental Topics	1	0	Charlotte, North Carolina
Paint Products Makeup	4	0	Charlotte, North Carolina
Total	118	0	

¹Additional hours of on-the-job training may be added as supplemental training if class size, location and time permit.

The training program we provide is under the direction of Mr. Jason T. Ryan. Mr. Ryan has been MAA's Chief Operating Officer since September 2012 and with MAA since 2003.

You must also attend, at our request, supplemental and refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which we may offer periodically at various locations we determine during the term of the Franchise Agreement. You must pay all expenses for these training programs, sales meetings, operations meetings, advertising meetings and conventions as we may reasonably require, including the cost of travel, room, board and wages. Our sole responsibility will be to pay for training instructors and materials.

Item 12

TERRITORY

You may operate the Center only at the location approved by us. However, you are not restricted as to the area into which you may go to solicit business or the customers whom you may solicit. You have no right to use other channels of distribution such as the Internet, catalog sales or other direct marketing.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control. However, if you are in compliance with the Franchise Agreement, we will not place a franchised or company-owned Maaco Center for each fifty thousand (50,000) persons in the Core Based Statistical Area ("CBSA") (as CBSA is defined as of the date of this disclosure document by the Office of Management and Budget) in which the Center is located. This area will be a "Protected Area," and the Protected Area will be determined as of the date that MAACO seeks to grant an additional Maaco Center franchise in proximity to the Protected

Area. There are no restrictions on the number of Satellite Stores or Express Stores we may place in your Protected Area.

If you operate a Satellite Store under the Satellite Store Program, we will not place a franchised or company-owned Satellite Store or Express Store within a 1 mile radius of your Satellite Store location, provided you are in compliance with the Franchise Agreement. If you operate an Express Store under the Express Store Program, we will not place a franchised or company-owned Satellite Store or Express Store within a 1 mile radius of your Express Store location, provided you are in compliance with the Franchise Agreement. However, we reserve the right in certain denser urban areas to review and amend the size of your territory before signing the Satellite Store Addendum or Express Store Addendum. There is no restriction on where we can place a Maaco Center.

As noted in Item 1, DNS, an indirect, wholly-owned subsidiary of Driven Brands, franchises Aero Colours businesses and Drive N Style businesses offering painting touch-up that is performed primarily on cars at automobile dealerships or at the customer's home or place of business. The services offered by a Maaco Center may include painting touch-up and related services that are performed for automobile dealerships. Those services are typically performed at the premises of the Maaco Center. Except to the extent described above, neither we nor our affiliates have to date established other franchises, company-owned businesses or other channels of distribution selling or leasing similar products or services to a Maaco Center under a different trade name or trademark, but we or our affiliates may establish other such businesses at some future date.

Continuation of your Protected Area or territory is not dependent upon your achievement of a certain volume, market penetration or other contingency, and there are no circumstances under which your Protected Area or territory may be altered, except for those circumstances warranting Center relocation which are discussed in Item 17. There are no circumstances that permit us to alter your territorial rights without your approval.

If you wish to relocate the Center, you must submit an application for relocation identifying the site to which you wish to relocate. The application must be submitted to us. We will review the demographics and character of the proposed site to determine whether or not it will be approved by us.




We do not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

Item 13

TRADEMARKS

MAA owned the Proprietary Marks until the Securitization Transaction. As noted in Item 1, we became the owner of these Proprietary Marks in July 2015 and grant you the right to use the Proprietary Marks in the operation of the Center.

The Proprietary Marks are registered on the Principal Register of the United States Patent and Trademark Office, as follows:

Proprietary Mark	Registration Number	Registration Date
MAACO	1,084,252	January 31, 1978
MAACO	1,084,283	January 31, 1978
MAACO	1,480,014	March 8, 1988
	2,275,957	September 7, 1999
	2,853,706	June 15, 2004
	1,050,442	October 19, 1976
COSMOLLISION	2,617,360	September 10, 2002
MAACO-VERS	2,575,354	June 4, 2002
MAACO COLLISION REPAIR & AUTO PAINTING	3,006,015	October 11, 2005
AMERICA'S BODYSHOP	2,787,733	November 25, 2003

There are a number of other related trademarks which have been registered and are described in the Manuals. All required affidavits of use have been filed. We or our affiliates also have renewed the registrations of all of these Proprietary Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Proprietary Marks which is relevant to their use in any state. There are no agreements currently in effect which significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise. Furthermore, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state.

You must follow our rules when you use the Proprietary Marks. You are prohibited from using any Proprietary Mark as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you). In addition,

you may not use any Proprietary Mark in selling unauthorized products or services or in any other manner we have not explicitly authorized in writing.

You must immediately notify us of any infringement of or challenge to your use of any Proprietary Mark. We will have sole discretion to take whatever action we deem appropriate to protect the Proprietary Mark.

If we decide that you should modify or discontinue your use of any Proprietary Mark and/or use one or more additional or substitute Proprietary Marks, you must comply with this decision. We are not obligated by the Franchise Agreement or otherwise to protect any or all rights which you have to use our Proprietary Marks or to protect you against claims of infringements or unfair competition with respect to our Proprietary Marks. The Franchise Agreement does not provide for you to receive compensation for tangible costs of changing any Proprietary Mark.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, MAACO's ownership, title, right or interest in its Proprietary Marks, trade secrets, methods, procedures and advertising techniques which are part of our business or contest our sole right to register, use or license others to use such Proprietary Marks, trade secrets, methods, procedures and techniques.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim copyright protection of our written materials, videotapes and related materials although these materials have not been registered with the United States Registrar of Copyrights. The written materials, videotapes and related materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

The Franchise Agreement provides that you acknowledge that your entire knowledge of the operation of the Center, including the specifications, standards and operating procedures of the Center, is derived from information we disclose to you and that all this information is confidential and our trade secrets. You must maintain the absolute confidentiality of all such information during and after the term of the franchise.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or if the franchisee is more than one person, the person approved by us) must devote full time, energy and efforts to the management and supervision of the Center. The Center must at all times be managed and operated by you (or if the franchisee is more than one person, the person approved by us). The franchisee conducting the day-to-day management and operation of the Center and the majority investor in the franchise, must attend and successfully complete in our sole opinion the initial training program. The majority investor is defined as any signatory to the Franchise Agreement who has collateralized a loan for the business, guaranteed the lease, or guaranteed the mortgage for the operation of the Center.

If you are married, we will require both you and your spouse to sign the Franchise Agreement and related agreements as individuals. We will permit the Franchise Agreement to be assigned to a corporation or other business entity formed for the convenience of ownership of the Center. Our consent will be subject to satisfaction of the following requirements:

- a) The entity must be newly organized and its charter or other organizational documents must provide that its activities are confined exclusively to the operation of the Center;
- b) You must own a majority interest in the entity, must not diminish your proportionate ownership interest in the entity, except as may be required by law, and must act as its principal executive officer;
- c) Each stock certificate or other certificate evidencing ownership must have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by the Franchise Agreement;
- d) All shareholders or others holding ownership interests in the entity must sign an agreement in the form prescribed by us guaranteeing the entity's obligations under the Franchise Agreement and agreeing to be bound jointly and severally by all of its provisions; and
- e) The entity must agree to be bound by all of the provisions of the Franchise Agreement and to assume and discharge all of your obligations.

The form of transfer agreement and personal guaranty you must sign to enable you to transfer your rights and obligations under the Franchise Agreement are attached as Exhibit I and Exhibit J.

If you are a partnership, corporation, limited liability company or other legal entity, we will require that each of your owners sign a personal guaranty agreeing to be personally bound, jointly and severally, by your financial and other obligations under the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not offer or sell any products or services that do not meet our standards and specifications. You may not use the Center's premises for any purpose other than the operation of a Maaco Center. You are not limited in the customers to whom you may sell such goods or services. You must offer all products and services that we periodically authorize in writing for Maaco Centers. We have the right to change the types of authorized goods and services and there are no limits on our right to make changes.

We have determined that it is in the best interest of all of our Maaco Centers for us to establish throughout the franchise system uniform guarantees and warranties to customers. In order to accomplish this objective, you must offer to customers of the Center, on forms we require, guarantees and warranties which we periodically require, and we have developed a mandatory program for franchisees under which you must satisfy valid customer claims made within the applicable guarantee or warranty period, whether from work performed at the Center or at any other Maaco Center (including those owned by us or our affiliates).

You will be entitled to reimbursement from the Maaco Center which originally guaranteed or warranted the work (Paragraph 8C of the Franchise Agreement). While the Franchise Agreement does not contain a provision dealing with work performed at company-owned Maaco Centers, it is our policy to reimburse you for work originally warranted by a company-owned Maaco Center. The reimbursement will be in an amount not to exceed MAACO's current nationally recommended warranty rates. You must reimburse any Maaco Center which satisfies any warranty or guarantee issued by it as we require within 5 days after receipt of an invoice approved by us. If there is a dispute between any customer of the Center and you over any warranty issued by the Center or any other Maaco Center, we have the right to evaluate the dispute and to make a determination of the manner in which you resolve the dispute. You will be bound by this determination. You authorize us to charge for warranty services performed by another Maaco Center on customer warranties you issue, and to credit you for warranty services performed on customer warranties issued by another Maaco Center, as we may determine to be appropriate from time to time for the national customer warranty program. You agree to pay us any net debit balances, and we agree to pay you any net credit balances, with respect to the national customer warranty program at such times and on such conditions as we periodically determine.

If you purchase an existing Maaco Center, you must honor the prior owner's warranty claims. Attached to this disclosure document as Exhibits M and N are copies of the form of Warranty Work Franchise Transfer Acknowledgement and Warranty Agreement, respectively, you must sign if you are purchasing an existing Maaco Center.

You may not offer any other warranties or guarantees to customers without our prior written consent.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section in franchise or other agreement	Summary
a. Term of the franchise	Paragraph 3 of Franchise Agreement	15 years.
b. Renewal or extension of the term	Paragraph 3 of Franchise Agreement	15 year renewal if you meet certain requirements.
c. Requirements for you to renew	Paragraph 3 of Franchise Agreement	Written notice, you are not then in default, you have paid all amounts owed, provide a current lease for the premises, provide an assignment of leasehold interest upon termination or expiration of any renewal term, refurbish Center, sign a release, pay renewal fee and sign Renewal Addendum to Franchise Agreement (Exhibit F) containing modifications necessary to conform the terms of the new franchise agreement to the terms of your Franchise Agreement, as applicable. You may be asked to sign a contract with materially different terms than your original contract. If you do not formally renew your franchise and you continue to operate your Center, we may treat your franchise as having been renewed or we may treat your Franchise Agreement as extended.
d. Termination by you	Not Applicable	Not Applicable.
e. Termination by us without cause	Not Applicable	Not Applicable.
f. Termination by us with cause	Paragraph 2B and 15 of Franchise Agreement	We can terminate the Franchise Agreement only if you commit any one of several violations. In addition, we can terminate the Franchise Agreement if you fail to open your Center within 18 months from the date you sign the Franchise Agreement.

Provision	Section in franchise or other agreement	Summary
g. “Cause” defined-defaults which can be cured	Paragraph 15 of Franchise Agreement	7 days for improper use of Proprietary Marks; 15 days for failure to pay amounts owed; 30 days for all other defaults under the Franchise Agreement not listed in (h) below.
h. “Cause” defined-defaults which cannot be cured	Paragraph 15 of Franchise Agreement	Bankruptcy; abandonment; felony arrest and/or conviction; unauthorized transfer; failure to comply with in-term covenants; unauthorized use of confidential information or Manuals; improper transfer upon death or disability; violation of health or safety laws; material misrepresentation; repeated customer complaints; misrepresentation or intentional underreporting of business figures or reports; failure to successfully complete training program; repeated violations; failure to open Center on time.
i. Your obligations on termination/non-renewal	Paragraph 16 of Franchise Agreement	Cease operating Center, cease use of system and Proprietary Marks; stop accepting new customers, complete work-in-progress and deliver all motor vehicles to owners; cancel assumed or equivalent name registrations; modify or alter Center’s premises to prevent operation of any business; pay outstanding amounts; return all Manuals, customer data and customer lists; and comply with covenants.
j. Assignment of contract by us	Paragraph 14 of Franchise Agreement	No restriction on our right to assign the Franchise Agreement.
k. “Transfer” by you – definition	Paragraph 14 of Franchise Agreement	Transfer of Franchise Agreement includes transfer of any right or interest in the Franchise Agreement or you.
l. Our approval of transfer by you ¹	Paragraph 14 of Franchise Agreement	We have the right to approve all transfers.

Provision	Section in franchise or other agreement	Summary
m. Conditions for our approval of transfer	Paragraph 14 of Franchise Agreement	<p>You must pay us all amounts due and sign a general release; transferee signs a new franchise agreement; transferee completes training and pays the resale initial franchise fee (dictated by your current Franchise Agreement); and you complete the following Center refurbishing tasks, at your expense: (a) install our current merchandising system; (b) install our current exterior signage and trade dress; (c) general cleaning, fixing, repairing and painting of the Center; (d) complete maintenance service of equipment (including oven, booth, mixing equipment and compressors); (e) replace equipment not repairable, when necessary; and (f) purchase hardware and software to operate our current computerized management information system.</p> <p>You will also pay the transfer fee in your Franchise Agreement if listed. If as a result of our marketing/referral efforts, an individual/transferee is identified or if the transferee has already signed a franchise agreement with us, you will pay us a sales commission. If you transfer the franchise to a corporation, the corporation must be newly organized and activities will be confined exclusively to operation of the Center; you will own a majority interest in corporation; and stock certificate must bear required statement.</p>
n. Our right of first refusal to acquire your business	Paragraph 17A of Franchise Agreement	Within 60 days of termination or expiration of Franchise Agreement, we may purchase the assets of your Center and obtain an assignment of your lease.
o. Our option to purchase your business	Paragraph 17 of Franchise Agreement	Purchase for fair market value determined by appraisal if parties are unable to agree.

Provision	Section in franchise or other agreement	Summary
p. Your death or disability	Paragraph 14F of Franchise Agreement	Franchise must be transferred to an approved buyer within 12 months.
q. Non-competition covenants during the term of the franchise	Paragraph 18B of Franchise Agreement	You will not: divert any business or customer of business to any competitor; employ or seek to employ persons who are at the time employed by us or another franchisee or induce them to leave; or own, maintain, engage in, be employed by, finance or have any interest in any other related business specializing in motor vehicle painting and body repair.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 18C of Franchise Agreement	For a period of 1 year, you will not divert any business or customer of the business to any competitor; employ or seek to employ persons who are employed by us or another franchisee or induce them to leave. You will not own, maintain, engage in, be employed by, finance, or have any interest in any business specializing in motor vehicle painting or body repair services at the Center, within 10 miles of the Center or within 10 miles of any existing or proposed Maaco Center.
s. Modification of the agreement	Paragraph 23 of Franchise Agreement	Modification only upon written agreement of the parties. Manuals are subject to change by us.
t. Integration/merger clause	Paragraph 23 of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside this disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable.
v. Choice of forum	Paragraph 25 of Franchise Agreement	Litigation in the county or district court where our then current principal offices are located (currently in Charlotte, North Carolina) (subject to state law).
w. Choice of law	Paragraph 25 of Franchise Agreement	North Carolina law applies (subject to state law).

¹ If upon your transfer of the Center you agree to finance all or a portion of the purchase price, we will require you to sign the Tri-Party Agreement (Exhibit O), which requires you to defer loan payments for a period of 90 days if your purchaser is in monetary default to us under their Franchise Agreement.

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This financial performance representation includes information reported by the franchisees of 405 Maaco Centers operating in the United States who reported to MAACO at least 50 weeks of gross sales for the period beginning December 28, 2014 through December 26, 2015 (the "Reporting Centers"). We annualized the information received from the Reporting Centers who provided 50 or 51 weeks of reports. As of December 26, 2015, there were 437 Maaco Centers operating (excluding Satellite Stores), and the Reporting Centers represent 90% of the Maaco franchise system. Certain Maaco Centers not reporting were not open as Maaco Centers for 4 or more weeks during the 2015 fiscal year. In addition, this financial performance representation does not include any information from Satellite Stores. All of the Maaco Centers included in this financial performance representation are franchised Maaco Centers. As used in this financial performance representation, "gross sales" means all cash collected or other consideration received, for all sales of merchandise and services of any nature at or from or as a result of the Maaco Center, less discounts or equivalent taxes.

We obtained the figures contained in this financial performance representation from Weekly Summary Business Reports submitted by franchisees as required by their franchise agreements. We have not audited the Reports nor have we or MAA sought to independently verify their accuracy.

Written substantiation for the information contained in the tables will be made available to you upon reasonable request. Our sales representatives are prohibited from providing you with any further information about actual, average or potential sales, operating expenses, income, profits or earnings, and are prohibited from commenting on the likelihood of success of any Maaco Center or business potential of any territory. Actual results may vary from Maaco Center to Maaco Center, and we cannot estimate the results of any particular franchise.

The following Table A ranks the Reporting Centers by gross sales reported from December 28, 2014 through December 26, 2015 (the “Fiscal Year”). During the Fiscal Year, the average gross sales of the Reporting Centers was \$1,096,193. 167 (41%) of the Reporting Centers on Table A met or exceeded the average gross sales.

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TABLE A

Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales
1	\$5,846,363	37	\$1,657,166	73	\$1,404,168
2	\$3,961,049	38	\$1,628,674	74	\$1,404,027
3	\$2,935,544	39	\$1,615,732	75	\$1,403,926
4	\$2,813,450	40	\$1,597,402	76	\$1,402,377
5	\$2,766,181	41	\$1,586,946	77	\$1,402,144
6	\$2,684,446	42	\$1,582,312	78	\$1,396,513
7	\$2,651,413	43	\$1,581,461	79	\$1,391,978
8	\$2,460,682	44	\$1,578,234	80	\$1,388,438
9	\$2,459,646	45	\$1,574,080	81	\$1,382,148
10	\$2,356,529	46	\$1,573,167	82	\$1,349,422
11	\$2,325,086	47	\$1,573,074	83	\$1,342,593
12	\$2,309,136	48	\$1,563,091	84	\$1,336,054
13	\$2,292,214	49	\$1,562,758	85	\$1,335,832
14	\$2,289,881	50	\$1,560,236	86	\$1,335,696
15	\$2,184,137	51	\$1,549,359	87	\$1,334,349
16	\$2,165,684	52	\$1,538,546	88	\$1,328,738
17	\$2,085,061	53	\$1,538,411	89	\$1,314,444
18	\$2,029,235	54	\$1,538,200	90	\$1,308,390
19	\$2,015,297	55	\$1,537,080	91	\$1,303,752
20	\$2,003,082	56	\$1,531,416	92	\$1,293,933
21	\$1,954,328	57	\$1,529,408	93	\$1,293,552
22	\$1,939,236	58	\$1,511,856	94	\$1,291,987
23	\$1,900,810	59	\$1,498,419	95	\$1,286,546
24	\$1,873,841	60	\$1,497,458	96	\$1,283,758
25	\$1,838,028	61	\$1,494,430	97	\$1,280,768
26	\$1,821,674	62	\$1,486,442	98	\$1,280,483
27	\$1,785,709	63	\$1,481,175	99	\$1,272,771
28	\$1,763,797	64	\$1,472,492	100	\$1,271,673
29	\$1,748,810	65	\$1,466,486	101	\$1,266,520
30	\$1,743,487	66	\$1,459,822	102	\$1,266,383
31	\$1,733,700	67	\$1,455,947	103	\$1,261,216
32	\$1,722,493	68	\$1,437,847	104	\$1,255,115
33	\$1,720,012	69	\$1,430,529	105	\$1,255,087
34	\$1,707,355	70	\$1,420,530	106	\$1,253,940
35	\$1,699,757	71	\$1,418,994	107	\$1,253,743
36	\$1,663,178	72	\$1,412,924	108	\$1,250,039

Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales
109	\$1,247,387	145	\$1,152,439	181	\$1,067,697
110	\$1,246,129	146	\$1,148,659	182	\$1,066,145
111	\$1,242,742	147	\$1,146,777	183	\$1,064,952
112	\$1,239,120	148	\$1,143,096	184	\$1,057,135
113	\$1,232,331	149	\$1,137,249	185	\$1,055,453
114	\$1,228,919	150	\$1,135,892	186	\$1,055,344
115	\$1,225,143	151	\$1,133,586	187	\$1,052,316
116	\$1,216,761	152	\$1,132,125	188	\$1,051,699
117	\$1,210,388	153	\$1,126,849	189	\$1,048,023
118	\$1,208,543	154	\$1,126,721	190	\$1,045,643
119	\$1,203,572	155	\$1,125,703	191	\$1,038,915
120	\$1,202,581	156	\$1,118,489	192	\$1,037,685
121	\$1,201,409	157	\$1,117,592	193	\$1,036,921
122	\$1,199,399	158	\$1,115,143	194	\$1,036,082
123	\$1,197,734	159	\$1,108,997	195	\$1,033,459
124	\$1,197,027	160	\$1,108,949	196	\$1,030,786
125	\$1,196,583	161	\$1,108,049	197	\$1,030,702
126	\$1,196,462	162	\$1,105,554	198	\$1,027,474
127	\$1,195,150	163	\$1,104,926	199	\$1,027,129
128	\$1,193,791	164	\$1,103,900	200	\$1,021,885
129	\$1,190,749	165	\$1,103,771	201	\$1,020,815
130	\$1,186,150	166	\$1,102,315	202	\$1,017,502
131	\$1,184,184	167	\$1,097,249	203	\$1,016,587
132	\$1,181,104	168	\$1,095,216	204	\$1,016,254
133	\$1,180,191	169	\$1,093,203	205	\$1,005,400
134	\$1,179,279	170	\$1,089,556	206	\$1,002,471
135	\$1,176,340	171	\$1,089,528	207	\$1,002,445
136	\$1,170,760	172	\$1,088,952	208	\$1,002,411
137	\$1,163,324	173	\$1,086,373	209	\$1,000,584
138	\$1,162,018	174	\$1,085,903	210	\$988,774
139	\$1,157,679	175	\$1,083,260	211	\$984,130
140	\$1,156,614	176	\$1,082,346	212	\$983,049
141	\$1,154,266	177	\$1,080,797	213	\$978,537
142	\$1,154,265	178	\$1,080,135	214	\$972,307
143	\$1,153,564	179	\$1,074,099	215	\$970,474
144	\$1,153,141	180	\$1,072,882	216	\$968,261

Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales
217	\$966,357	253	\$885,320	289	\$814,277
218	\$964,162	254	\$885,124	290	\$810,910
219	\$949,469	255	\$884,044	291	\$810,862
220	\$946,775	256	\$883,845	292	\$809,837
221	\$946,349	257	\$880,923	293	\$806,838
222	\$945,151	258	\$880,455	294	\$805,416
223	\$944,547	259	\$880,375	295	\$805,402
224	\$943,990	260	\$878,909	296	\$804,969
225	\$940,686	261	\$877,989	297	\$804,510
226	\$940,253	262	\$874,722	298	\$802,244
227	\$937,595	263	\$872,196	299	\$801,054
228	\$937,463	264	\$870,076	300	\$799,632
229	\$936,676	265	\$869,622	301	\$795,394
230	\$932,455	266	\$868,093	302	\$795,177
231	\$931,024	267	\$865,370	303	\$794,014
232	\$929,284	268	\$861,155	304	\$791,760
233	\$924,400	269	\$857,324	305	\$791,702
234	\$923,062	270	\$854,889	306	\$790,583
235	\$917,113	271	\$852,722	307	\$788,056
236	\$916,821	272	\$852,715	308	\$787,178
237	\$916,752	273	\$849,226	309	\$786,843
238	\$912,325	274	\$848,255	310	\$786,322
239	\$909,801	275	\$838,034	311	\$783,859
240	\$909,634	276	\$836,682	312	\$783,168
241	\$907,145	277	\$835,854	313	\$782,031
242	\$905,652	278	\$835,654	314	\$779,620
243	\$905,321	279	\$833,640	315	\$779,142
244	\$901,729	280	\$831,950	316	\$771,183
245	\$901,614	281	\$831,839	317	\$770,081
246	\$901,263	282	\$831,191	318	\$767,556
247	\$899,382	283	\$831,025	319	\$765,748
248	\$895,882	284	\$830,730	320	\$764,927
249	\$889,627	285	\$830,681	321	\$763,635
250	\$888,922	286	\$830,143	322	\$762,897
251	\$888,571	287	\$827,825	323	\$761,375
252	\$886,163	288	\$818,655	324	\$759,374

Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales	Maaco Center	2015 Gross Sales
325	\$755,136	361	\$644,628	397	\$425,112
326	\$753,866	362	\$643,704	398	\$420,157
327	\$753,021	363	\$638,070	399	\$408,260
328	\$751,899	364	\$633,896	400	\$393,721
329	\$743,357	365	\$631,566	401	\$368,187
330	\$740,581	366	\$628,561	402	\$365,032
331	\$736,937	367	\$628,259	403	\$327,887
332	\$735,082	368	\$625,766	404	\$267,032
333	\$729,865	369	\$609,845	405	\$128,421
334	\$726,462	370	\$603,931		
335	\$724,564	371	\$597,362		
336	\$724,263	372	\$594,211		
337	\$720,213	373	\$588,085		
338	\$716,780	374	\$577,366		
339	\$714,556	375	\$575,042		
340	\$711,344	376	\$566,093		
341	\$706,364	377	\$563,509		
342	\$703,447	378	\$553,079		
343	\$702,967	379	\$547,317		
344	\$702,778	380	\$545,376		
345	\$696,025	381	\$544,159		
346	\$695,547	382	\$539,119		
347	\$694,422	383	\$538,149		
348	\$689,258	384	\$501,398		
349	\$681,179	385	\$500,429		
350	\$680,666	386	\$493,955		
351	\$675,357	387	\$493,429		
352	\$674,176	388	\$487,855		
353	\$668,460	389	\$483,035		
354	\$668,080	390	\$474,489		
355	\$666,961	391	\$464,999		
356	\$666,297	392	\$460,270		
357	\$665,012	393	\$459,729		
358	\$663,437	394	\$456,716		
359	\$650,754	395	\$451,243		
360	\$647,606	396	\$443,396		

The following Table B groups the Reporting Centers by gross sales levels for the Fiscal Year. Each group in Table B includes the average annual gross sales for the Fiscal Year, average repair order, average number of units, average weekly gross sales and average number of units per week.

TABLE B

Annual Gross Sales	FISCAL YEAR					WEEK	
	Number of Reporting Centers	% of All Reporting Centers	Average Annual Gross Sales	Average Repair Order(8)	Average Number Units	Average Weekly Gross Sales(9)	Average Number Units per Week(10)
\$1,500,000 and above(1)	58	14%	\$1,995,844	\$1,030	1938	\$38,382	37
\$1,250,000-\$1,499,999(2)	50	12%	\$1,358,320	\$895	1517	\$26,122	29
\$1,000,000-\$1,249,999(3)	101	25%	\$1,117,436	\$880	1270	\$21,489	24
\$750,000-\$999,999(4)	119	29%	\$858,888	\$858	1001	\$16,517	19
\$500,000-\$749,999(5)	57	14%	\$648,100	\$806	804	\$12,463	15
Below \$499,999(6)	20	5%	\$413,646	\$775	534	\$7,955	10
Average(7)	405	100%	\$1,096,193	\$902	1215	\$21,081	23

- (1) Of the 58 Reporting Centers, 20 Reporting Centers (34%) met or exceeded the Average Annual Gross Sales.
- (2) Of the 50 Reporting Centers, 23 Reporting Centers (46%) met or exceeded the Average Annual Gross Sales.
- (3) Of the 101 Reporting Centers, 49 Reporting Centers (49%) met or exceeded the Average Annual Gross Sales.
- (4) Of the 119 Reporting Centers, 59 Reporting Centers (50%) met or exceeded the Average Annual Gross Sales.
- (5) Of the 57 Reporting Centers, 31 Reporting Centers (54%) met or exceeded the Average Annual Gross Sales.
- (6) Of the 20 Reporting Centers, 13 Reporting Centers (65%) met or exceeded the Average Annual Gross Sales.
- (7) Of the 405 Reporting Centers, 167 Reporting Centers (41%) met or exceeded the Average Annual Gross Sales.
- (8) The “Average Repair Order” was calculated by taking the total amount of gross sales for the Fiscal Year for each group and dividing it by the total number of “Units” for the Fiscal Year for each group. Each Unit refers to the number of jobs performed as reported to us by the Reporting Centers.
- (9) The “Average Weekly Gross Sales” was calculated by taking the Average Annual Gross Sales and dividing by 52 weeks.
- (10) The “Average Number of Units per Week” was calculated by taking the Average Number of Units and dividing by 52 weeks.

The following tables - Table C – Part 1, Table C – Part 2, Table C – Part 3 and Table C – Part 4 - contain performance results for 206 of the 405 Reporting Centers that also reported certain expense information to us for the Fiscal Year. For purposes of this financial performance representation:

- “Direct Labor” includes any labor that is associated with a repair, such as the painter.
- “Indirect Labor” includes labor that is not directly associated with a repair, such as managers’ salaries or the cost of administrative assistance.
- “Sublet Expense” includes third party vendor costs such as glass windshield replacement or other subcontracted services.
- “Fixed Expense” includes any fixed costs associated with the premises, the property or the Maaco Center, such as insurance, rent, notes on loans and utilities and those advertising expenses required under the Franchise Agreement.
- “General Expense” includes additional expenses in running the Maaco Center, such as office supplies, bank charges, and donations.

The first section in Table C – Part 1 includes information for all 206 of the Reporting Centers that reported certain expense information to us. The second section in Table C – Part 1 includes information from 178 of those 206 Reporting Centers that have been recognized as “Certified Centers” by achieving MAACO’s certification for standards of performance as related to the quality of work, level of service, equipment requirements and other criteria. The third section in Table C – Part 1 includes information for the remaining 28 Reporting Centers that have not been recognized as Certified Centers.

TABLE C – PART 1

Average of Reporting Centers, Certified Centers and Non-Certified Centers						
	Total Reporting Centers(1)	%	Certified Centers(2)	%	Non-Certified Centers(3)	%
Number of Centers	206		178		28	
Average Gross Sales	1,247,995	100.0%	1,287,448	100.0%	997,184	100.0%
Direct Labor	273,106	21.9%	282,685	22.0%	212,209	21.3%
Materials Expense	126,166	10.1%	127,074	9.9%	120,391	12.1%
Parts Expense	141,780	11.4%	150,968	11.7%	83,372	8.4%
Sublet Expense	12,520	1.0%	13,529	1.1%	6,104	0.6%
Gross Profit	690,241	55.3%	708,823	55.1%	572,114	57.4%
Indirect Labor	96,573	7.7%	100,255	7.8%	73,170	7.3%
Fixed Expense	237,356	19.0%	238,949	18.6%	227,233	22.8%
Royalties	89,488	7.2%	92,325	7.2%	71,456	7.2%
Payroll Tax	41,037	3.3%	41,911	3.3%	35,482	3.6%
General Expense	41,580	3.3%	43,144	3.4%	31,642	3.2%
Total Operating Expense	506,036	40.5%	516,583	40.1%	438,983	44.0%
Income	184,205	14.8%	192,240	14.9%	133,131	13.4%

- (1) Of the 206 Reporting Centers, 80 Reporting Centers (39%) met or exceed the Average Gross Sales and 126 Reporting Centers (61%) met or exceed the Income.
- (2) Of the 178 Certified Centers, 65 Certified Centers (37%) met or exceed the Average Gross Sales and 113 Certified Centers (63%) met or exceed the Income.
- (3) Of the 28 Non-Certified Centers, 12 Non-Certified Centers (43%) met or exceed the Average Gross Sales and 16 Non-Certified Centers (57%) met or exceed the Income.

The following Table C – Part 2 contains performance results for the 206 Reporting Centers that also reported certain expense information to us for the Fiscal Year divided into quartiles. The 1st quartile includes 51 Reporting Centers with the highest gross sales during the Fiscal Year, the 2nd quartile includes 52 Reporting Centers with the next highest gross sales during the Fiscal Year, the 3rd Quartile includes 52 Reporting Centers with the next highest gross sales during the Fiscal Year, and the 4th quartile includes 51 Reporting Centers with the lowest gross sales for the Fiscal Year.

TABLE C – PART 2

Reporting Centers by Quartile								
	1st Quartile(1)	%	2nd Quartile(2)	%	3rd Quartile(3)	%	4th Quartile(4)	%
Number of Reporting Centers	51		52		52		51	
Average Gross Sales	1,950,488	100.0%	1,269,450	100.0%	1,013,264	100.0%	762,958	100.0%
Direct Labor	410,297	21.0%	282,900	22.3%	228,562	22.6%	171,347	22.5%
Materials Expense	180,302	9.2%	129,828	10.2%	107,443	10.6%	87,386	11.5%
Parts Expense	271,044	13.9%	138,574	10.9%	94,893	9.4%	63,592	8.3%
Sublet Expense	31,966	1.6%	8,179	0.6%	6,277	0.6%	3,865	0.5%
Gross Profit	1,051,410	53.9%	705,905	55.6%	573,592	56.6%	432,038	56.6%
Indirect Labor	160,255	8.2%	86,053	6.8%	78,608	7.8%	61,935	8.1%
Fixed Expense	298,369	15.3%	244,702	19.3%	212,998	21.0%	193,690	25.4%
Royalties	139,076	7.1%	90,531	7.1%	74,060	7.3%	54,568	7.2%
Payroll Tax	63,672	3.3%	42,028	3.3%	33,719	3.3%	24,855	3.3%
General Expense	68,500	3.5%	42,074	3.3%	32,339	3.2%	23,579	3.1%
Total Operating Expense	729,873	37.4%	505,388	39.8%	431,724	42.6%	358,628	47.0%
Income	321,537	16.5%	200,518	15.8%	141,868	14.0%	73,410	9.6%

- (1) Of the 51 Reporting Centers in the 1st Quartile, 16 Reporting Centers (31%) met or exceed the Average Gross Sales and 35 Reporting Centers (69%) met or exceed the Income.
- (2) Of the 52 Reporting Centers in the 2nd Quartile, 24 Reporting Centers (46%) met or exceed the Average Gross Sales and 28 Reporting Centers (54%) met or exceed the Income.
- (3) Of the 52 Reporting Centers in the 3rd Quartile, 29 Reporting Centers (56%) met or exceed the Average Gross Sales and 23 Reporting Centers (44%) met or exceed the Income.
- (4) Of the 51 Reporting Centers in the 4th Quartile, 32 Reporting Centers (63%) met or exceed the Average Gross Sales and 19 Reporting Centers (37%) met or exceed the Income.

The following Table C – Part 3 contains performance results for the 206 Reporting Centers that also reported certain expense information to us for the Fiscal Year divided into 3 groups based on their gross sales for the Fiscal Year. The 1st group includes 134 Reporting Centers that reported more than \$1,000,000 in gross sales during the Fiscal Year, the 2nd group includes 53 Reporting Centers that reported between \$750,000 and \$1,000,000 in gross sales during the Fiscal Year, and the 3rd group includes 19 Reporting Centers that reported less than \$750,000 in gross sales during the Fiscal Year.

TABLE C – PART 3

Reporting Centers by Gross Sales						
	Over \$1,000,000(1)	%	\$750,000 to \$1,000,000(2)	%	Less than \$750,000(3)	%
Number of Reporting Centers	134		53		19	
Average Gross Sales	1,482,580	100.0%	865,775	100.0%	659,738	100.0%
Direct Labor	320,815	21.6%	195,743	22.6%	152,437	23.1%
Materials Expense	145,181	9.8%	95,397	11.0%	77,890	11.8%
Parts Expense	181,018	12.2%	77,664	9.0%	43,897	6.7%
Sublet Expense	16,967	1.1%	4,356	0.5%	3,926	0.6%
Gross Profit	814,313	54.9%	487,128	56.3%	381,786	57.9%
Indirect Labor	114,235	7.7%	67,568	7.8%	52,926	8.0%
Fixed Expense	259,030	17.5%	205,229	23.7%	174,121	26.4%
Royalties	105,962	7.1%	63,309	7.3%	46,333	7.0%
Payroll Tax	48,936	3.3%	27,503	3.2%	23,087	3.5%
General Expense	50,345	3.4%	27,166	3.1%	19,972	3.0%

<u>Total Operating Expense</u>	<u>578,507</u>	<u>39.0%</u>	<u>390,776</u>	<u>45.1%</u>	<u>316,438</u>	<u>48.0%</u>
Income	235,806	15.9%	96,352	11.1%	65,348	9.9%

- (1) Of the 134 Reporting Centers with over \$1,000,000 in gross sales for the Fiscal Year, 49 Reporting Centers (37%) met or exceed the Average Gross Sales and 85 Reporting Centers (63%) met or exceed the Income.
- (2) Of the 53 Reporting Centers with \$750,000 to \$1,000,000 in gross sales for the Fiscal Year, 25 Reporting Centers (47%) met or exceed the Average Gross Sales and 28 Reporting Centers (53%) met or exceed the Income.
- (3) Of the 19 Reporting Centers with less than \$750,000 in gross sales for the Fiscal Year, 13 Reporting Centers (68%) met or exceed the Average Gross Sales and 6 Reporting Centers (32%) met or exceed the Income.

The following Table C – Part 4 contains performance results for the 206 Reporting Centers that also reported certain expense information to us for the Fiscal Year divided into 3 groups based on their gross sales for the Fiscal Year. The 1st group includes 17 Reporting Centers that were in the MAACO system for 0 – 2 years as of December 28, 2014, the 2nd group includes 12 Reporting Centers that were in the MAACO system for 3 - 5 years as of December 28, 2014, and the 3rd group includes 177 Reporting Centers that were in the MAACO system for more than 5 years as of December 28, 2014.

TABLE C – PART 4

Reporting Centers by Open Years						
	0 - 2 Years(1)	%	3 - 5 Years(2)	%	Over 5 Years(3)	%
Number of Reporting Centers	17		12		177	
Average Gross Sales	917,641	100.0%	1,076,055	100.0%	1,291,380	100.0%
Direct Labor	205,343	22.4%	249,342	23.2%	281,225	21.8%
Materials Expense	109,418	11.9%	116,731	10.8%	128,414	9.9%
Parts Expense	65,390	7.1%	101,527	9.4%	151,846	11.8%
Sublet Expense	4,467	0.5%	9,115	0.8%	13,524	1.0%
<u>Gross Profit</u>	<u>531,330</u>	<u>57.9%</u>	<u>594,530</u>	<u>55.3%</u>	<u>711,993</u>	<u>55.1%</u>
Indirect Labor	81,038	8.8%	73,725	6.9%	99,615	7.7%
Fixed Expense	222,150	24.2%	226,443	21.0%	239,557	18.6%
Royalties	64,620	7.0%	81,683	7.6%	92,406	7.2%
Payroll Tax	31,279	3.4%	34,405	3.2%	42,424	3.3%
General Expense	29,822	3.2%	39,141	3.6%	42,875	3.3%

Total Operating Expense	<u>428,908</u>	<u>46.7%</u>	<u>455,397</u>	<u>42.3%</u>	<u>516,877</u>	<u>40.0%</u>
Income	102,422	11.2%	139,132	12.9%	195,116	15.1%

- (1) Of the 17 Reporting Centers in the MAACO system for 0 – 2 years as of December 28, 2014, 8 Reporting Centers (47%) met or exceed the Average Gross Sales and 9 Reporting Centers (53%) met or exceed the Income.
- (2) Of the 12 Reporting Centers in the MAACO system for 3 - 5 years as of December 28, 2014, 4 Reporting Centers (33%) met or exceed the Average Gross Sales and 8 Reporting Centers (67%) met or exceed the Income.
- (3) Of the 177 Reporting Centers in the MAACO system for more than 5 years as of December 28, 2014, 69 Reporting Centers (39%) met or exceed the Average Gross Sales and 108 Reporting Centers (61%) met or exceed the Income.

Some Maaco Centers have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Maaco Center, however, we may provide you with the actual records of that Maaco Center. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jose Costa at MAA, 440 South Church Street, Suite 700, Charlotte, North Carolina 28202, (704) 377-8855, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

As noted in Item 1, MAA was the franchisor of Maaco Centers prior to the closing of the Securitization Transaction. All figures in the following tables are as of December 31 of each year.

Table No. 1

Systemwide Outlet Summary For years 2013 to 2015

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013	416	436	+20
	2014	436	446	+10
	2015	446	451	+5

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Company-Owned	2013	1	6	+5
	2014	6	0	-6
	2015	0	0	0
Total Outlets	2013	417	442	+25
	2014	442	446	+4
	2015	446	451	+5

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2013 to 2015**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2013	0
	2014	1
	2015	2
Arizona	2013	0
	2014	0
	2015	1
California	2013	1
	2014	2
	2015	17
Colorado	2013	1
	2014	0
	2015	1
Delaware	2013	1
	2014	0
	2015	0
Florida	2013	0
	2014	3
	2015	1
Georgia	2013	0
	2014	4
	2015	6
Hawaii	2013	1
	2014	0
	2015	0
Louisiana	2013	0
	2014	0
	2015	1

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Maryland	2013	1
	2014	1
	2015	0
Massachusetts	2013	1
	2014	2
	2015	1
Michigan	2013	1
	2014	0
	2015	1
Missouri	2013	0
	2014	0
	2015	1
Nevada	2013	0
	2014	1
	2015	0
New Jersey	2013	2
	2014	0
	2015	0
New York	2013	1
	2014	0
	2015	0
North Carolina	2013	1
	2014	1
	2015	1
Ohio	2013	1
	2014	1
	2015	0
Pennsylvania	2013	1
	2014	0
	2015	0
South Carolina	2013	0
	2014	0
	2015	1
Texas	2013	1
	2014	2
	2015	1
Utah	2013	0
	2014	1
	2015	0
Virginia	2013	1
	2014	0
	2015	0
Washington	2013	0
	2014	0
	2015	1

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Totals	2013	15
	2014	19
	2015	36

Table No. 3

**Status of Franchised Outlets
For years 2013 to 2015**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened ¹	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions - Other Reasons	Col. 9 Outlets at End of the Year ²
Alabama	2013	4	0	0	0	0	0	4
	2014	4	1	0	0	0	0	5
	2015	5	1	0	0	0	0	6
Arizona	2013	10	1	0	0	0	0	11
	2014	11	1	1	0	0	0	11
	2015	11	0	0	0	0	1	10
Arkansas	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	1	1
California	2013	39	23	2	0	0	1	59
	2014	59	4	0	0	0	1	62
	2015	62	2	0	0	0	3	61
Colorado	2013	10	0	0	0	0	0	10
	2014	10	0	0	0	0	0	10
	2015	10	1	0	0	0	0	11
Connecticut	2013	4	0	0	0	0	0	4
	2014	4	0	0	0	0	1	3
	2015	3	0	0	0	0	0	3
Delaware	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
District of Columbia	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	1	0
	2015	0	0	0	0	0	0	0

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened ¹	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year ²
Florida	2013	34	3	2	2	0	1	32
	2014	32	4	1	0	0	2	33
	2015	33	6	0	0	0	0	39
Georgia	2013	18	2	0	1	0	0	19
	2014	19	2	0	0	0	0	21
	2015	21	0	0	0	0	0	21
Hawaii	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Idaho	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Illinois	2013	17	2	1	0	0	3	15
	2014	15	1	0	0	0	0	16
	2015	16	1	1	0	0	0	16
Indiana	2013	8	0	1	0	0	0	7
	2014	7	0	0	0	0	0	7
	2015	7	1	0	0	0	1	7
Iowa	2013	2	0	0	0	0	0	2
	2014	2	0	0	1	0	0	1
	2015	1	0	0	0	0	0	1
Kansas	2013	2	0	0	1	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Kentucky	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	1	1	0	0	0	2
Louisiana	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
Maine	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Maryland	2013	16	0	0	0	0	0	16
	2014	16	1	0	0	0	0	17
	2015	17	2	0	0	0	0	19

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened ¹	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year ²
Massachusetts	2013	13	0	0	1	0	0	12
	2014	12	0	0	0	0	1	11
	2015	11	0	0	0	0	0	11
Michigan	2013	12	1	1	0	0	0	12
	2014	12	0	0	0	0	1	11
	2015	11	1	0	0	0	0	12
Minnesota	2013	6	1	0	0	0	0	7
	2014	7	0	0	0	0	0	7
	2015	7	0	0	0	0	0	7
Mississippi	2013	1	0	0	0	0	0	1
	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Missouri	2013	8	3	0	0	0	1	10
	2014	10	0	0	1	0	0	9
	2015	9	1	0	0	0	0	10
Montana	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Nebraska	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	1	0	0	2
Nevada	2013	3	2	0	0	0	0	5
	2014	5	0	0	0	0	0	5
	2015	5	0	4	0	0	0	1
New Jersey	2013	25	0	1	0	0	0	24
	2014	24	2	1	0	0	0	25
	2015	25	3	0	0	0	2	26
New Mexico	2013	2	2	0	0	0	0	4
	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
New York	2013	10	0	0	0	0	0	10
	2014	10	2	0	0	0	1	11
	2015	11	0	0	0	0	0	11
North Carolina	2013	14	3	0	0	0	1	16
	2014	16	0	0	0	0	0	16
	2015	16	0	0	0	0	0	16

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened ¹	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year ²
Ohio	2013	11	0	0	0	0	1	10
	2014	10	0	0	0	0	0	10
	2015	10	0	0	0	0	0	10
Oklahoma	2013	4	0	0	1	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	1	0	0	0	1	3
Oregon	2013	3	1	0	0	0	0	4
	2014	4	0	0	0	0	1	3
	2015	3	0	0	0	0	0	3
Pennsylvania	2013	18	0	0	0	0	0	18
	2014	18	2	0	0	0	0	20
	2015	20	1	0	0	0	1	20 ²
Puerto Rico	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	1	2
	2015	2	0	0	0	0	0	2
Rhode Island	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
South Carolina	2013	10	1	0	0	0	0	11
	2014	11	0	0	0	0	0	11
	2015	11	0	0	0	0	0	11
Tennessee	2013	6	0	0	0	0	0	6
	2014	6	1	0	0	0	0	7
	2015	7	0	0	0	0	0	7
Texas	2013	35	2	1	0	0	3	33 ¹
	2014	33	6	2	0	0	0	37
	2015	37	0	1	0	0	2	34
Utah	2013	7	0	0	0	0	1	6
	2014	6	0	0	0	0	1	5
	2015	5	0	0	0	0	0	5
Vermont	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened ¹	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions - Other Reasons	Col. 9 Outlets at End of the Year ²
Virginia	2013	22	0	0	0	0	0	22
	2014	22	0	1	0	0	0	21
	2015	21	1	0	0	0	0	22
Washington	2013	16	0	0	0	0	0	16
	2014	16	1	0	0	0	0	17
	2015	17	0	0	0	0	0	17
West Virginia	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Wisconsin	2013	4	0	0	0	0	0	4
	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
Totals	2013	416	47	9	6	0	12	436
	2014	436	29	6	2	0	11	446
	2015	446	25	7	1	0	12	451

¹Total outlets at the end of the year for fiscal year 2013 includes the one Maaco Center that temporarily closed in Texas in November 2013 due to a relocation. This Maaco Center is anticipated to reopen.

²In 2015, one Maaco Center in Pennsylvania was temporarily closed for relocation.

Table No. 4

**Status of Company-Owned Outlets
For years 2013 to 2015**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Alabama	2013	0	1	0	0	0	1
	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
Florida	2013	0	1	0	0	0	1
	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Georgia	2013	0	3	0	0	0	3
	2014	3	0	0	0	3	0
	2015	0	0	0	0	0	0
Mississippi	2013	0	1	0	0	0	1
	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
Tennessee	2013	1	0	0	1	0	0
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
Totals	2013	1	6	0	1	0	6
	2014	6	0	0	0	6	0
	2015	0	0	0	0	0	0

Table No. 5

Projected Openings as of December 31, 2015

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In The Next Fiscal Year
Arizona	2	0	0
California	3	2	0
Colorado	0	0	0
Connecticut	5	0	0
District of Columbia	1	0	0
Florida	22	3	0
Georgia	5	6	0
Hawaii	3	0	0
Idaho	0	0	0
Illinois	5	0	0
Indiana	0	0	0
Kansas	0	0	0
Louisiana	1	0	0
Maryland	2	0	0
Massachusetts	8	1	0

Michigan	0	2	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	1	0	0
Nevada	0	0	0
New Jersey	3	1	0
New York	2	0	0
North Carolina	4	1	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	1	0	0
Pennsylvania	6	1	0
Rhode Island	0	0	0
South Carolina	2	0	0
Tennessee	4	0	0
Texas	17	1	0
Utah	1	1	0
Virginia	4	0	0
Washington	3	0	0
Wisconsin	0	0	0
Total	105	24	0

A list of the names of all franchisees and the addresses and telephone numbers of their Maaco Centers is attached as Exhibit B-1 to this disclosure document. A list of the names and last known home addresses and telephone numbers of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement in the period between January 1, 2015 and December 31, 2015, or who has not communicated with us within 10 weeks of this disclosure document's issuance date is attached as Exhibit B-2. Franchisees who have signed a Franchise Agreement, but have not yet opened a Maaco Center as of December 31, 2015, are listed on Exhibit B-3. Franchisees whose Franchise Agreements were terminated during the period between January 1, 2015 and December 31, 2015, before the Maaco Center opened for business are listed in Exhibit B-4. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 years, some franchisees have signed confidentiality agreements with MAA. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us or MAA. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations that have been created, sponsored or endorsed by us or any independent franchisee organizations that have asked to be included in this disclosure document.

Item 21

FINANCIAL STATEMENTS

Attached as Exhibit A are the audited financial statements of Driven Systems, our parent company, as of December 26, 2015 and for the period July 31, 2015 to December 26, 2015; and Driven System's unaudited balance sheet as of March 26, 2016, and its unaudited statement of operations for the 3-month period ended March 26, 2016. Driven Systems was organized on June 9, 2015 and had no significant operations prior to that date. Driven Systems guarantees the performance of MAACO. A copy of the guaranty of Driven Systems is attached as Exhibit W. Because Driven Systems has not been in existence for 3 years or more, Driven Systems does not have available, and we cannot yet include, the 3 full years of audited financial statements required by the franchise laws.

As reflected in Item 1, Driven Brands will be providing required support and services to franchisees under a management agreement with us. Attached as Exhibit A are the audited financial statements of Driven Brands as of December 26, 2015, December 27, 2014, and December 28, 2013; and Driven Brands' unaudited balance sheet as of March 26, 2016, and its unaudited statement of operations for the 3-month period ended March 26, 2016. These financial statements are being provided for disclosure purposes only. Driven Brands is not a party to the Franchise Agreement or Development Agreement and Franchise Agreement Addendum we sign with franchisees nor does it guarantee our obligations under the Franchise Agreement or Development Agreement and Franchise Agreement Addendum we sign with franchisees.

Driven Brands Funding issued fixed rate notes in the amount of \$410 million and a variable funding note with a maximum principal amount of \$50 million as part of the Securitization Transaction. These funds were used, in part, to pay certain outstanding obligations. Various assets have been pledged to secure this indebtedness, including all franchise agreements and other agreements existing as of the closing of the Securitization Transaction. Certain subsidiaries of Driven Brands have guaranteed the indebtedness, including us. See the Footnotes to the financial statements in Exhibit A for more information about the Securitization Transaction.

Item 22

CONTRACTS

The following contracts/documents are exhibits:

- | | |
|---|---|
| C | Franchise Agreement |
| E | Amendment to Franchise Agreement (Transfer) |
| F | Renewal Addendum to Franchise Agreement |
| G | Addendum to Franchise Agreement (Additional Center) |

H	Collateral Assignment of Lease and Consent and Agreement of Lessor
I	Assignment and Assumption Agreement
J	Personal Guaranty
K	New Franchise Disclosure Questionnaire
L	MAACO Polaris 2000 Software License Agreement
M	Warranty Work Franchise Transfer Acknowledgement
N	Warranty Agreement
O	Tri Party Agreement
P	Option to Purchase or Lease Agreement
Q	Waiver and Release
R	International Emergency Economic Powers Act Compliance Questionnaire
S	Release of Telephone Number and Transfer of Telephone Service
V	State Riders to Franchise Agreement
X	Conversion Agreement
Y	Development Agreement and Franchise Agreement Addendum
Z	Satellite Store Addendum to Franchise Agreement
AA	Express Store Addendum to Franchise Agreement

Item 23

RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 4 pages of this disclosure document.

EXHIBIT A
FINANCIAL STATEMENTS

DRIVEN SYSTEMS LLC

Consolidated Financial Statement and Report of
Independent Certified Public Accountants

Driven Systems LLC and Subsidiaries

As of December 26, 2015 and for the period July 31,
2015 to December 26, 2015

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Member and Board of Directors of
Driven Systems, LLC and Subsidiaries:

We have audited the accompanying consolidated financial statements of **Driven Systems, LLC** (a Delaware single member limited liability company) **and Subsidiaries**, which comprise the consolidated balance sheet as of December 26, 2015, and the related consolidated statement of operations, changes in member's equity, and cash flows for the period July 31, 2015 through December 26, 2015, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above presents fairly, in all material respects, the financial position of Driven Systems, LLC and Subsidiaries as of December 26, 2015, and the results of their operations and their cash flows for the period July 31, 2015 to December 26, 2015, in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Charlotte, North Carolina
April 23, 2016

Balance Sheet

	December 26, 2015
	(000s)
Assets	\$
Current assets:	
Cash and cash equivalents	850
Notes receivable, net of allowance	1,797
Total current assets	2,647
Notes receivable, net of allowance	587
Intangible assets, net	420,910
Total assets	424,144
Liabilities and member's equity	
Liabilities:	-
Total liabilities	-
Member's equity:	
Member's equity	424,144
Total member's equity	424,144
Total liabilities and member's equity	424,144

The accompanying notes are an integral part of these consolidated financial statements

Statement of operations

	Period From July 31, 2015 through December 26, 2015
	(000s)
	\$
Revenue:	
Franchise fees	24,225
Other revenue	4,516
Total revenue	28,741
Costs and expenses:	
Allocated fees and expenses	12,994
Amortization	2,157
Total costs and expenses	15,151
Net income	13,590

The accompanying notes are an integral part of these consolidated financial statements

Statement of member's equity

	December 26, 2015
	(000s)
	\$
Balance, July 31, 2015	426,418
Deemed distribution to Parent	(15,864)
Net income	13,590
Balance, December 26, 2015	424,144

Statement of cash flows

	Period From July 31, 2015 through December 26, 2015
	(000s)
	\$
Cash flows from operating activities:	
Net income	13,590
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization	2,157
Deemed distribution to Parent	(15,864)
Changes in assets and liabilities:	
Notes receivable	117
Net cash used in operating activities	-
Cash flows from investing activities:	-
Cash flows from financing activities:	-
Net change in cash and cash equivalents	-
Cash and cash equivalents, as of July 31, 2015	850
Cash and cash equivalents, as of December 26, 2015	850

The accompanying notes are an integral part of these consolidated financial statements

Notes to consolidated financial statements

(Dollar amounts in thousands)

1 Description of Business and Summary of Significant Accounting Policies

Description of Business

Driven Systems LLC (the “Company”) is a single member limited liability company organized in the state of Delaware on June 9, 2015. The Company, together with its subsidiaries are referred to herein as the “Securitization Entities.” The other Securitization entities are: Meineke Franchisor SPV LLC, Maaco Franchisor SPV LLC, Econo Lube Franchisor SPV LLC, Drive N Style Franchisor SPV LLC, and Merlin Franchisor SPV LLC. The Company is a direct, wholly-owned subsidiary of Driven Brands Funding, LLC, (“Driven Funding”) which is a direct, wholly-owned subsidiary of Driven Funding Holdco, LLC (“Driven Holdco”), which is a direct, wholly-owned subsidiary of Driven Brands, Inc. (“Parent”), which is a direct, wholly-owned subsidiary of Driven Holdings LLC (“Driven Holdings”), which is a direct, wholly-owned subsidiary of RC Driven Holdings LLC (“Ultimate Parent”).

As of December 26, 2015, Driven Brands, Inc. and its subsidiaries comprised the worldwide operations of Meineke Car Care Centers (Meineke), Maaco Collision Repair and Auto Painting (Maaco), Merlin’s 200,000 Miles shops (Merlin’s), Pro Oil Change (Pro Oil), Econo-Lube N’ Tune (Econo), 1-800-Radiator & A/C (Radiator), Drive N Style, CARSTAR Auto Body Repair Experts (CARSTAR), and Driven Florida Lube (Havoline Xpress Lube) (collectively, the “Driven Franchise Brands”). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. As of December 26, 2015, the Driven Franchise Brands had more than 2,300 units worldwide, with 85% located within the United States and the remainder located primarily in Canada and Mexico. Approximately 96% of the units are franchised.

Meineke, Merlin’s, Pro Oil, Econo, and Havoline Xpress Lube each provide automotive repair and maintenance services through retail locations. Maaco and CARSTAR provide auto body repairs and painting services through retail locations. Drive N Style provides automotive appearance services to customers through mobile vans. Radiator provides certain automotive parts to automotive repair stores, automotive parts stores, body shops, new and used car dealers and service stations.

On July 31, 2015, the Parent contributed to the Securitization Entities, through Driven Holdco, Driven Funding, and the Company, substantially all of its U.S. and Canadian intellectual property, trademarks/tradenames, franchise agreements, development agreements, and all rights to develop and expand the Driven Franchise Brands excluding Radiator, CARSTAR and Havoline Xpress Lube (collectively, the “Securitization IP”) along with certain franchisee notes receivable, collectively the “Managed Assets”. Driven Brands, Inc., certain non-securitization Canadian subsidiaries, and the Securitization Entities entered into the Driven Brands License Agreement, Econo Lube License Agreement, Pro Oil Canadian Franchisor License Agreement, Meineke Canadian Franchisor License Agreement and Maaco Canadian Franchisor License Agreement (collectively, the “License Agreements”) pursuant to which the Securitization Entities, collectively, granted to Parent (i) a non-exclusive license to use and sublicense to non-Securitization Entities the Securitization IP in connection with owning and operating the company-owned store locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services for a royalty varying by brand and licensed use.

The contributions of the Securitization IP, cash, and franchisee notes receivable are between entities under common control and are recorded at book value. No gain or loss has been realized on the transactions.

Notes to consolidated financial statements

(Dollar amounts in thousands)

The Securitization Entities entered into that certain Management Agreement, dated July 31, 2015 (“the Management Agreement which obligates the Parent (the “Manager”) to manage and service the Managed Assets as defined in the Management Agreement. The primary responsibilities of the Manager under the Management Agreement include administering collections and otherwise managing the Managed Assets on behalf of the Securitization Entities, and to perform certain franchising, marketing, intellectual property and operation and reporting services on behalf of the Securitization Entities with respect to the Managed Assets. In performing its obligations under the Management Agreement, the Manager acts solely as an independent contractor of the Securitization Entities, except to the extent the Manager is deemed to be an agent of the Securitization Entities by virtue of engaging in franchise sales activities or receiving payments on behalf of the Securitization Entities. In exchange for providing such services, the Manager will be entitled to receive certain management fees on a weekly basis.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its consolidated subsidiaries, which consist of the other Securitization Entities. The Company’s fiscal year end is the last Saturday of December. The Company’s most recent fiscal year end is December 26, 2015.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less.

The Company maintains cash balances in non-interest bearing transaction accounts with various financial institutions, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250. Although we maintain balances that exceed the federally insured limit, we have not experienced any losses related to this balance, and we believe credit risk to be minimal.

Intangible Assets

Intangible assets represent trademarks, franchise agreements, and developed technology. Intangible assets with an indefinite useful life are not amortized.

The Company reviews certain identifiable definite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company believes no impairment existed as of December 26, 2015.

Notes to consolidated financial statements (cont'd)

(Dollar amounts in thousands)

The Company reviews indefinite lived intangible assets for impairment annually as of the last day of its fiscal year. Furthermore, indefinite lived intangible assets are required to be tested for impairment on an interim basis if an event or circumstance indicates that it is more-likely-than-not an impairment loss has been incurred. The Company's impairment test involves a two-step process. In the first step, the Company compares the fair value of the Company to its carrying value. If the fair value of the Company exceeds its carrying value, indefinite lived intangible assets are not impaired and no further testing is required. If the fair value of the Company is less than the carrying value, the Company must perform the second step of the impairment test to measure the amount of impairment loss, if any. In the second step, the Company's fair value is allocated to all of the assets and liabilities of the Company, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of indefinite lived intangibles in the same manner as if the Company was being acquired in a business combination. If the implied fair value of the Company's indefinite lived intangibles is less than the carrying value, the difference is recorded as an impairment loss. Impairment losses are recognized in operations. The Company's valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and projections of future operating performance. If these assumptions differ materially from future results, the Company may record impairment charges in the future. Based on its most recent analysis, no impairment existed as of December 26, 2015.

Fair Value of Financial Instruments

The Company uses a fair value hierarchy to value an asset or a liability which is measured at fair value. Under the authoritative guidance there is a common definition of fair value to be used and a hierarchy for fair value measurements based on the type of inputs that are used to value the assets or liabilities at fair value.

The levels of the fair-value hierarchy are described as follows:

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date,
- Level 2:** Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3:** Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company has estimated the fair values of financial instruments using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value for non-traded financial instruments. Accordingly, such estimates are not necessarily indicative of the amounts that the Company would realize in a current market exchange. The carrying amount for cash and cash equivalents approximate fair value because of their short maturities. The notes receivable carrying value also approximates fair value due to interest rates that approximate market rates.

Notes to consolidated financial statements (cont'd)

(Dollar amounts in thousands)

Revenue Recognition

In accordance with the Management Agreement and License Agreements, revenue is recognized for amounts received or due to the Company varying by Driven Franchise Brand, excluding Radiator, CARSTAR and Havoline Xpress Lube, for the use of the Company's intellectual property. Franchise revenue is comprised of royalties generated from franchisee fees as well as company owned stores. Franchise fee royalty revenue is based on the fee agreements defined in the subsidiaries' franchise agreements. Royalties generated from company owned stores are based on the fee agreements defined in the Management Agreement. Canadian royalty revenue is based on agreed upon fees defined in the Pro Oil Canadian Franchisor License Agreement, Meineke Canadian Franchisor License Agreement and Maaco Canadian Franchisor License Agreement. Product distribution margin revenue is based on paint and supply products delivered to franchisees. Advertising fee royalty revenue is based on the fee arrangements set forth in the subsidiaries' franchise agreements and is recognized net of advertising expenditures. Initial license fees are recognized net of commission payments. License and software maintenance fee royalty revenue is based on providing and servicing proprietary software for franchisees.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying disclosures. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates are used in the accounting for, among other items, valuation of notes receivable, valuation of intangible assets and useful lives for amortization of indefinite-lived intangible assets. Actual results may ultimately differ from estimates.

Income Taxes

The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the member. As such, no recognition of federal or state income taxes for the Company or its subsidiaries that are organized as limited liability companies have been provided for in the accompanying consolidated financial statements. Any uncertain tax position taken by the member is not an uncertain position of the Company.

As it pertains to the Company and the impact on the Ultimate Parent, the Company follows applicable authoritative guidance with respect to the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of operations. Based on management analysis, the Company does not believe any unrecognized tax benefits significantly changed in the current period. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year.

Contingencies

The Company has no claims or contingencies as of December 26, 2015.

Notes to consolidated financial statements (cont'd)

(Dollar amounts in thousands)

Allowances for Doubtful Accounts

Notes receivable are primarily from franchisees and relate to financing arrangements for certain previously past due balances or to partially finance the acquisition of company-owned shops or refranchising locations. The notes are typically collateralized by the assets of the franchisee shop with interest rates ranging up to 12% depending on the level of credit risk and payment terms.

Notes receivable are reported at their estimated net realizable value. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts of notes receivable. Management determines the allowance by considering a number of factors, including the length of time notes receivable are past due, the Company's previous loss history, the customers' current ability to pay their obligations to the Company and the condition of the general economy and the industry as a whole. Receivables are written-off based on individual credit evaluation and specific circumstances of the franchisee and customer. Management has established an allowance for doubtful accounts of \$823 as of December 26, 2015.

2 Related Party Transactions

As part of the initial contribution, the Company received a capital contribution of \$850 in cash from Driven Funding.

Cash collections from revenue and cash disbursements for management fees, interest expense and other operating expenses are made at Driven Holdco. Because the revenue and expenses related to these cash flows are recorded on the consolidated financial statements of the Company, the Company has recorded deemed distributions to Driven Holdco of \$15,864 for the period from July 31, 2015 to December 26, 2015.

In exchange for providing management services, the Parent is entitled to receive certain management fees on a weekly basis. For the period July 31, 2015 to December 31, 2015, the Company's management fees to the Parent are \$6,406, which are included in allocated fees and expenses on the Statement of Operations.

Driven Funding (the Issuer) issued \$410 million Series 2015-1 5.216% Fixed Rate Senior Secured Notes, Class A-2 (the Senior Notes). The Senior Notes have an anticipated repayment date of July 20, 2022 and a final maturity date of July 20, 2045. The Senior Notes are secured by substantially all assets of the Issuer and guaranteed by Driven Holdco and subsidiaries of the Issuer. The net proceeds from the issuance of the Senior Notes, after transaction expenses, were distributed to the Parent to repay substantially all of its outstanding indebtedness and to terminate all commitments thereunder. For the period July 31, 2015 to December 31, 2015, the interest expense allocated to the Company to the Issuer was \$6,296. This amount is included in allocated fees and expenses on the Statement of Operations.

Notes to consolidated financial statements (cont'd)

(Dollar amounts in thousands)

3 Intangible Assets

Intangible assets as of December 26, 2015, consist of the following:

	Net Value 7/31/15	Amortization	Net Value 12/26/15	Useful Life
	(000s)	(000s)	(000s)	
	\$	\$	\$	
Intangible assets subject to amortization:				
Franchise agreements	140,013	1,954	138,059	20-30 years
Developed technology	3,856	203	3,653	8 years
Intangible assets not subject to amortization:				
Trademarks	279,198	-	279,198	
Total intangible assets	423,067	2,157	420,910	

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

	Amount
	(000s)
	\$
2016	5,322
2017	5,322
2018	5,322
2019	5,322
2020	5,322
Thereafter	115,102
Total amortization	141,712

4 Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements to April 23, 2016, the date the financial statements were available to be issued. All subsequent events requiring recognition and disclosure have been incorporated into these financial statements.

UNAUDITED FINANCIAL STATEMENTS

Driven Systems LLC and subsidiaries
Consolidated balance sheet
As of March 26, 2016
UNAUDITED

	(000)
Assets	\$
Current assets:	
Cash and cash equivalents	850
Accounts and notes receivable, net of allowance	2,371
Prepays and other assets	-
Total current assets	3,221
Accounts and notes receivable, net of allowance	-
Intangible assets, net	420,442
	423,664
Liabilities and member's equity	\$
Current liabilities:	
Total current liabilities	(0)
Long-term debt	-
Total liabilities	(0)
Member's equity:	
Members' equity	423,664
Total member's equity	423,664
	423,664

Driven Systems LLC and subsidiaries
Consolidated statement of operations
UNAUDITED

For the period December 27, 2015 to March 26, 2016

	(000)
Revenue:	\$
Royalty fee income	3,937
Canadian license fee income	217
License fee income	73
Mkey fee income	141
Advertising fee income	151
	4,519
Costs and expenses:	
Management fee	1,350
Amortization of intangible assets	467
Securitization operating expenses	19
Total cost and expenses	1,836
Interest expense	1,710
Loss before provision for income taxes	973
Provision for income taxes - Income tax expense	-
Net income (loss)	973

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

DRIVEN BRANDS, INC.

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

Driven Brands, Inc. and Subsidiaries

As of December 26, 2015 and December 27, 2014

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of
Driven Brands, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of **Driven Brands, Inc.** (a Delaware corporation) **and Subsidiaries**, which comprise the consolidated balance sheets as of December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), and the related consolidated statements of operations, comprehensive (loss) income, changes in shareholders' equity, and cash flows for the period from April 17, 2015 to December 26, 2015 (Successor Company), for the period from December 28, 2014 to April 16, 2015 (Predecessor Company), and for the fiscal year ended December 27, 2014 (Predecessor Company) and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above presents fairly, in all material respects, the financial position of Driven Brands, Inc. and Subsidiaries as of December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), and the results of their operations and their cash flows for the period from April 17, 2015 to December 26, 2015 (Successor Company), for the period from December 28, 2014 to April 16, 2015 (Predecessor Company), and for the fiscal year ended December 27, 2014 (Predecessor Company), in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Charlotte, North Carolina
April 28, 2016

Consolidated balance sheets

	Successor Company	Predecessor Company
	December 26, 2015	December 27, 2014
	(000)	(000)
	\$	\$
Assets		
Current Assets:		
Cash and cash equivalents	14,410	4,064
Accounts and notes receivable, net of allowance	48,394	24,976
Inventory	7,578	562
Assets held for sale	300	3,975
Prepays and other assets	4,606	1,908
Deferred tax assets	-	4,421
Advertising fund assets, restricted	10,831	7,415
Total current assets	86,119	47,321
Accounts and notes receivable, net of allowance	5,092	5,605
Property and equipment, net	8,659	3,916
Debt issuance costs, net	10,329	3,903
Intangible assets, net	498,716	340,519
Goodwill	396,767	72,309
Total assets	1,005,682	473,573
Liabilities and shareholders' equity		
Current Liabilities:		
Accounts payable	26,978	5,152
Accrued expenses	17,640	6,242
Accrued interest	174	2,767
Current portion of long-term debt	54,100	2,933
Income tax payable	52	565
Deferred franchise revenue, net	4,890	3,570
Advertising fund liabilities	13,621	11,291
Total current liabilities	117,455	32,520
Long-term debt, net	435,375	231,541
Deferred tax liabilities	108,455	73,563
Total liabilities	661,285	337,624
Shareholders' Equity:		
Class A common stock (voting), \$.01 par value, authorized 60,000,000 shares; issued and outstanding 56,560,217 shares at December 26, 2015 and December 27, 2014	565	565
Class B common stock (nonvoting), \$.01 par value, authorized 12,461,152 shares; issued and outstanding 0 shares at December 26, 2015 and December 27, 2014	-	-
Additional paid in capital	348,203	132,908
Retained (deficit) earnings	(901)	3,421
Accumulated other comprehensive loss	(3,470)	(944)
Noncontrolling interest	-	(1)
Total shareholders' equity	344,397	135,949
Total liabilities and shareholders' equity	1,005,682	473,573

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of operations

	Successor Company	Predecessor Company	Predecessor Company
	Period From April, 17 2015 to December 26, 2015	Period From December 28, 2014 to April 16, 2015	Year ended December 27, 2014
	(000)	(000)	(000)
	\$	\$	\$
Revenue:			
Franchise fee income	60,654	19,996	65,658
Paint and supply sales	32,759	12,274	41,034
Other revenue and income	32,581	9,800	27,502
Total revenue	125,994	42,070	134,194
Costs and expenses:			
Operating, selling and administrative expenses	48,160	26,677	46,204
Cost of goods sold	42,481	14,990	48,097
Depreciation and amortization	7,978	2,729	11,223
Total costs and expenses	98,619	44,396	105,524
Interest expense, net	15,352	4,752	14,194
Loss on extinguishment of debt	11,589	-	2,892
Income (loss) before provision for income taxes	434	(7,078)	11,584
Provision for income taxes	1,335	(5,057)	4,682
Net (loss) income	(901)	(2,021)	6,902

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of comprehensive (loss) income

	Successor Company	Predecessor Company	Predecessor Company
	Period From April, 17 2015 to December 26, 2015	Period From December 28, 2015 to April 16, 2015	Year ended December 27, 2014
	(000)	(000)	(000)
	\$	\$	\$
Net (loss) income	(901)	(2,021)	6,902
Other comprehensive loss, net of tax:			
Foreign currency translation adjustment, net of tax	3,470	37	705
Other comprehensive loss	3,470	37	705
Comprehensive (loss) income, net	(4,371)	(2,058)	6,197

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of shareholders' equity

Predecessor Company	Driven Brands, Inc. Shareholders						Total Equity
	Class A	Class B	Paid-in	Accumulated	Retained	Noncontrolling	
	Common	Common	Capital	Other	Earnings	Interest	
	Stock	Stock		Comprehensive	(Deficit)		
	(000)	(000)	(000)	Income (Loss)	(000)	(000)	(000)
	\$	\$	\$	\$	\$	\$	\$
Balance, December 28, 2013	565	-	132,518	(239)	(3,481)	(1)	129,362
Share-based compensation expense	-	-	430	-	-	-	430
Net income	-	-	-	-	6,902	-	6,902
Incentive unit purchases/buybacks	-	-	(40)	-	-	-	(40)
Accumulated other comprehensive loss, foreign currency translation adjustment, net of tax	-	-	-	(705)	-	-	(705)
Balance, December 27, 2014	565	-	132,908	(944)	3,421	(1)	135,949
Share-based compensation expense	-	-	-	-	-	-	-
Net loss	-	-	-	-	(2,021)	-	(2,021)
Accumulated other comprehensive loss, foreign currency translation adjustment, net of tax	-	-	-	(37)	-	-	(37)
Balance, April 16, 2015	565	-	132,908	(981)	1,400	(1)	133,891
Successor Company							
Opening Balance, April 17, 2015	565	-	313,020	-	-	-	313,585
Share-based compensation expense	-	-	275	-	-	-	275
Net loss	-	-	-	-	(901)	-	(901)
Contributions	-	-	34,908	-	-	-	34,908
Accumulated other comprehensive loss, foreign currency translation adjustment, net of tax	-	-	-	(3,470)	-	-	(3,470)
Balance, December 26, 2015	565	-	348,203	(3,470)	(901)	-	344,397

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flow

	Successor Company	Predecessor Company	Predecessor Company
	Period from April 17, 2015 to December 27, 2015	Period from December 28, 2014 to April 16, 2015	Year ended December 27, 2014
	(000)	(000)	(000)
	\$	\$	\$
Cash flows from operating activities:			
Net (loss) income	(901)	(2,021)	6,902
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	7,978	2,729	11,250
Bad debt expense	1,519	558	-
Gain on disposal of assets held for sale	(18)	-	(92)
Loss on extinguishment of debt	11,589	-	2,892
Amortization of deferred financing fees	719	517	-
Loss on disposal of property and equipment	-	-	282
Loss on sale of business	-	-	318
Provision for deferred income taxes	864	(5,156)	3,531
Stock based compensation expense	275	-	430
Changes in assets and liabilities:			
Accounts receivable and notes receivable, net	5,534	(4,320)	(5,780)
Inventory	401	(184)	31
Prepays and other assets	(206)	(107)	136
Advertising fund assets	(2,194)	(3,871)	1,775
Deferred franchise revenue	1,689	(369)	2,132
Accounts payable and accrued expenses	(17,623)	14,141	(1,628)
Income taxes payable	927	(490)	854
Net cash provided by operating activities	10,553	1,427	23,033
Cash flows from investing activities:			
Purchases of property and equipment	(2,745)	(242)	(1,600)
Purchase of assets held for sale	(227)	-	-
Purchase of stores	-	(904)	-
Purchase of North Florida Lubes, net of cash	(26,197)	-	-
Purchase of CARSTAR Holdings Corp, net of cash	(22,956)	-	-
Purchase of Auto Master, net of cash	(710)	-	-
Purchase of CARSTAR Canada, net of Cash	(28,756)	-	-
Purchase of 1-800 All Parts Holding Inc, net of cash	(90,945)	-	-
Purchase of Pro Oil, net of cash	-	-	(12,869)
Purchase of Merlin's, net of cash	-	-	(5,922)
Acquisition or investment in refranchising centers	-	-	(6,983)
Proceeds from sales of acquired stores	850	-	813
Proceeds from sales of assets held for sale	1,500	-	2,082
Proceeds from sales of property and equipment	45	216	-
Net cash used in investing activities	(170,141)	(930)	(24,479)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows (Cont.)

	Successor Company	Predecessor Company	Predecessor Company
	Period from April 17, 2015 to December 26, 2015	Period from December 28, 2014, to April 16, 2015	Year ended December 27, 2014
	(000)	(000)	(000)
	\$	\$	\$
Cash flows from financing activities:			
Payment of debt issuance cost	(13,222)	-	(1,357)
Repurchase of units	-	-	(40)
Proceeds from Revolver Facility 2011	-	10,000	47,477
Repayments of Revolver Facility 2011	-	(11,185)	(19,791)
Payment of debt extinguishment costs	-	-	(1,955)
Proceeds from the issuance of long-term debt	535,000	-	45,888
Proceeds on Variable Funding Senior Note	40,000	-	-
Repayment of Variable Funding Senior Note	(9,500)	-	-
Repayment of long-term debt	(414,250)	(1,026)	(66,538)
Contributions	34,908	-	-
Net cash provided by (used in) financing activities	172,936	(2,211)	3,684
Effect of exchange rate changes on cash	(1,596)	308	528
Net increase in cash and cash equivalents	11,752	(1,406)	2,766
Cash and cash equivalents, beginning of period	2,658	4,064	1,298
Cash and cash equivalents, end of period	14,410	2,658	4,064
Supplemental cash flow disclosures - Cash paid for:			
Cash payments for interest	16,039	6,443	14,221
Cash payments of income taxes	36	467	465
Noncash investing activities:			
Installment note agreement	-	-	1,750

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

(Dollar amounts in thousands)

1 Description of Business and Summary of Significant Accounting Policies

Description of Business

Driven Brands, Inc. and Subsidiaries (collectively referred to as the “Company”) comprises the worldwide operations of Meineke Car Care Centers (Meineke), Maaco Collision Repair and Auto Painting (Maaco), Merlin’s 200,000 Miles shops (Merlin’s), Pro Oil Change (Pro Oil), Econo-Lube N’ Tune (Econo), 1-800-Radiator & A/C (Radiator), Drive N Style, CARSTAR auto body repair experts (CARSTAR), and Driven Florida Lube (operating under the “Havoline Xpress Lube” brand) (collectively, the Driven Franchise Brands). The Driven Franchise Brands develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. As of December 26, 2015, the Driven Franchise Brands have more than 2,300 units worldwide, with 85% located within the United States and the remainder located primarily in Canada and Mexico. Approximately 96% of the units are franchised. The Company is a direct, wholly-owned subsidiary of Driven Holdings LLC, which is a direct wholly-owned subsidiary of RC Driven Holdings, LLC (“Ultimate Parent”).

Meineke, Merlin’s, Pro Oil, Econo and Havoline Express Lube each provide automotive repair and maintenance services through retail locations. Maaco and CARSTAR provide auto body repairs and painting services through retail locations. Driven N Style provides automotive appearance services to customers through mobile vans. Radiator provides certain automotive parts to automotive repair stores, automotive parts stores, body shops and service stations.

The Company, through the Driven Franchise Brands, has completed several refranchising transactions, where the Driven Franchise Brand acquires retail locations and awards franchises to new or existing franchisees. The Company has also completed acquisition transactions, and in certain circumstances has retained the target’s brand name.

Basis of Presentation

The Company’s fiscal year ends on the last Saturday of December. On April 16, 2015, after the close of business, the Ultimate Parent acquired the stock of Driven Holdings, LLC, the parent of the Company (the “Acquisition”). Accordingly, all assets and liabilities have been reflected at their fair value as of the opening of business on April 17, 2015, in accordance with acquisition accounting under the provisions of Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (“ASC”) 805 “Business Combinations” (Note 3). The consolidated balance sheet and related information at December 26, 2015 and the consolidated statements of operations and cash flows for the period from April 17, 2015 to December 26, 2015 reflects the effects of acquisition accounting and is referred to as Successor Company. Financial statement amounts prior to April 17, 2015, including the consolidated balance sheet and related information at December 27, 2014 and the results of operations and cash flows for the year ended December 27, 2014 and the period from December 28, 2014 to April 16, 2015 reflect operations of Driven Brands, Inc. prior to the Acquisition and are referred to as Predecessor Company. Based on this presentation, the periods ending December 26, 2015 and December 27, 2014 are not comparative. The accompanying consolidated financial statements include the accounts of the Successor and Predecessor Company and all entities required to be consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

Also included in the consolidated financial statements are the restricted assets and related liabilities of the U.S. and Canadian Meineke Advertising Funds (the MAFs). The U.S. fund is a revocable trust administered by a third-party trustee, while the Canadian fund is administered directly by the Company, into which weekly advertising contributions made by Canadian Meineke franchisees are deposited.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Revenue Recognition

The Successor Company and Predecessor Company both recognize revenue when persuasive evidence of an arrangement exists, the related services are provided, the price is fixed and determinable and collectability is reasonably assured. Franchise fee royalty revenue is recognized in the period that corresponds to when the related retail sales and revenues are recognized by franchisees. Paint and supply and other inventory sale revenue are recognized upon the shipment of products to franchisees. Other revenue primarily consists of revenue generated from company-owned shop sales, shop leases, advertising fees, initial license fees and software maintenance fees. Company-owned shop sales are recognized when customer vehicles are repaired or serviced. Shop lease revenue is recognized on a straight-line basis over the underlying property lease terms. Advertising fee revenue is recognized in accordance with the fee agreements defined in the subsidiaries' franchise agreements. Initial license fee revenue is recognized when the franchised shop opens or after certain contractual obligations have been met. License and software maintenance fee revenue is recognized on a monthly basis in connection with providing and servicing proprietary software.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less.

The Successor Company and Predecessor Company both maintain cash balances in non-interest bearing transaction accounts with various financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250. Although the Successor Company and Predecessor Company maintain balances that exceed the federally insured limit, the Successor Company and Predecessor Company has not experienced any losses related to this balance, and the Company believes credit risk to be minimal.

Inventory

Inventory, which consists of various shop supplies and products used by Company-owned shops, is stated at the lower of cost, as determined by the first-in, first-out method, or market.

Deferred Franchisee Revenues, net

Revenues and costs relating to the sale of a franchise are deferred until the Successor Company and Predecessor Company have substantially fulfilled their pre-opening obligations. Deferred revenues and costs are presented net on the consolidated balance sheets. Revenues from license sales are presented within other income and the costs associated with license sales are presented in operating, selling and administrative expenses in the consolidated statements of operations once the Successor Company and Predecessor Company have substantially fulfilled their pre-opening obligations.

The Successor Company and Predecessor Company also periodically receive funds that benefit future periods and have deferred such amounts over the estimated realization period on a straight-line basis or a percentage of completion basis.

Accounts Receivable, net

For both the Successor Company and Predecessor Company, accounts receivable consists principally of amounts due related to the sale of equipment, supplies, advertising, franchise fees and rent. Accounts receivable are reported at their estimated net realizable value.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Notes Receivable, net

For both the Successor Company and Predecessor Company, notes receivable are primarily from franchisees and relate to financing arrangements for certain previously past due balances or to partially finance the acquisition of company-owned shops or refranchising locations. The notes are typically collateralized by the assets of the shop being purchased. Interest income recognized on these notes is included in interest expense, net on the accompanying consolidated statements of operations.

Allowances for Doubtful Accounts

Accounts and notes receivable are reported at their estimated net realizable value. The Successor Company and Predecessor Company provide an allowance for doubtful accounts equal to the estimated uncollectible amounts of accounts and notes receivable. Management determines the allowance by considering a number of factors, including the length of time trade accounts receivable and notes receivable are past due, the Company's previous loss history, the customers' current ability to pay their obligations to the Company and the condition of the general economy and the industry as a whole. Receivables are written-off based on individual credit evaluation and specific circumstances of the franchisee and customer. Management has established an allowance for doubtful accounts of \$21,904 (Successor Company) and \$14,451 (Predecessor Company) as of December 26, 2015 and December 27, 2014, respectively.

Shop Rental Agreements

Certain of the Successor Company and Predecessor Company subsidiaries are parties to leasing and subleasing agreements with third parties and their franchisees, respectively. The minimum rentals associated with these agreements are recognized as expense and income on a straight-line basis over the terms of the agreements.

Property and Equipment

Property and equipment of the Predecessor Company are recorded at cost plus the cost of additions and improvements that increase the useful lives of the assets, and property and equipment acquired by the Successor Company in the business combination (Note 3) is recorded at fair value as of the date of acquisition plus the cost of additions and improvements that increase the useful lives of the assets. The cost and accumulated depreciation of assets retired or sold are removed from the related accounts. Maintenance and repairs are charged to expense as incurred. Depreciation is computed principally on the straight-line method over the estimated useful lives of the respective assets.

The average lives used in computing depreciation are as follows:

Furniture and fixtures	5 to 8 years
Computer equipment and software	3 years
Shop equipment	2 to 10 years
Leasehold improvements	5 years
Vehicles	5 years
Buildings	30 years

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

The Successor Company and Predecessor Company review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Successor Company and Predecessor Company assess whether its long-lived assets are impaired by determining an impairment loss only if the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows based on an evaluation of undiscounted projected cash flows through the remaining depreciation period. If impairment exists, the amount of such impairment to be recognized is calculated based on the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. Both the Successor Company and Predecessor Company conclude no impairment exists as of December 26, 2015 and December 27, 2014, respectively.

Software

The Successor Company and Predecessor Company amortize the costs of computer software developed for internal use on a straight-line basis over its estimated useful life of three (3) years. The internal use software is included in property and equipment, net, on the accompanying consolidated balance sheets at carrying value.

Intangible Assets Including Goodwill

Intangible assets represent trademarks, franchise agreements, franchise origination costs, developed technology, and non-compete agreements. Intangible assets with an indefinite useful life are not amortized.

The Successor Company and Predecessor Company review certain identifiable definite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Both the Successor Company and Predecessor Company believe no impairment existed as of December 26, 2015 and December 27, 2014.

The Successor Company and Predecessor Company both test goodwill and indefinite lived intangible assets for impairment annually as of the last day of its fiscal year. Furthermore, goodwill and indefinite lived intangible assets are required to be tested for impairment on an interim basis if an event or circumstance indicates that it is more-likely-than-not an impairment loss has been incurred. The Successor Company and Predecessor Company's goodwill impairment test involves a two-step process. In the first step, the Company compares the fair value of the Company to its carrying value. If the fair value of the Company exceeds its carrying value, goodwill is not impaired and no further testing is required. If the fair value of the Company is less than the carrying value, the Company must perform the second step of the impairment test to measure the amount of impairment loss, if any. In the second step, the Company's fair value is allocated to all of the assets and liabilities of the Company, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the Company was being acquired in a business combination. If the implied fair value of the Company's goodwill is less than the carrying value, the difference is recorded as an impairment loss. Impairment losses are recognized in operations. The Successor Company and Predecessor Company's valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and projections of future operating performance. If these assumptions differ materially from future results, the Company may record impairment charges in the future. Based on its most recent analysis, both the Successor Company and Predecessor Company believe no impairment existed as of December 26, 2015 and December 27, 2014, respectively.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Debt Issuance Costs, net

Costs related to issuance of debt are capitalized and amortized to interest expense over the life of the related debt for both the Successor Company and Predecessor Company. These fees are amortized using the effective interest method over the term of each credit agreement. Total debt issuance costs capitalized by the Successor Company at the December 26, 2015, were approximately \$11,048 related to the Securitization Loan and Bridge Loan (Note 7). For the period April 17, 2015 to December 26, 2015, the Successor Company incurred \$22,638 of additional issuance cost associated with a refinancing to fund certain acquisitions, while writing-off \$11,589 associated with the Senior Credit Agreement debt retired as part of the refinancing. Total debt issuance costs capitalized by the Predecessor Company at December 27, 2014, were approximately \$8,121, related to the Senior Credit Agreement and Senior Subordinated Agreement (Note 7). During 2014, the Predecessor Company incurred \$1,357 of additional debt issuance costs associated with a refinancing to fund certain acquisitions while writing-off \$937 associated with the senior subordinated debt retired as part of the refinancing. Total debt issuance costs capitalized were \$10,329 and \$8,429, net of accumulated amortization of \$719 and \$4,526 as of December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), respectively.

Estimated amortization expense for the next five years is summarized as follows:

	Amount
	\$
2016	3,216
2017	1,360
2018	1,291
2019	1,277
2020	1,264
Thereafter	1,921
Total amortization	10,329

Equity-based Compensation

The Successor Company and Predecessor Company both recognize expense related to the fair value of equity-based compensation awards over the service period (generally the vesting period) in the consolidated financial statements. The Successor Company and Predecessor Company recognize compensation expense based on the estimated fair value on the grant-date.

Fair Value of Financial Instruments

The authoritative guidance requires disclosure of a fair value hierarchy of inputs that the Company uses to value an asset or a liability. Under the authoritative guidance there is a common definition of fair value to be used and a hierarchy for fair value measurements based on the type of inputs that are used to value the assets or liabilities at fair value.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

The levels of the fair-value hierarchy are described as follows:

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date,
- Level 2:** Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3:** Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Successor Company and Predecessor Company both have estimated the fair values of financial instruments using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value for non-traded financial instruments. Accordingly, such estimates are not necessarily indicative of the amounts that the Company would realize in a current market exchange. The carrying amount for cash and cash equivalents, accounts receivable, inventory, other current assets, accounts payable and accrued expenses approximate fair value because of their short maturities. The notes receivable carrying value also approximates fair value due to interest rates that approximate market rates. The Successor Company's debt instruments' carrying values are deemed to approximate fair value as of December 26, 2015. The instruments have variable and fixed interest rates and are reflective of current market rates.

Income Taxes

The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effects on deferred tax assets and liabilities of subsequent changes in the tax laws and rates are recognized in income during the year the changes are enacted.

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company follows applicable authoritative guidance with respect to the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of operations. Based on management analysis, Company does not believe any historical unrecognized tax benefits significantly changed during the period April 17, 2015 to December 26, 2015 (Successor Company) and the period December 28, 2014 to April 16, 2015 (Predecessor Company). The Company did, however, increase its reserve for uncertain tax positions as part of an acquisition of 1-800 All Parts Holding, Inc. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year. As of December 26, 2015, the Successor Company's open tax years include fiscal years 2006-2015.

The Company recognizes interest and penalties related to income taxes as a component of income tax expense.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates are used in the accounting for, among other items, valuation of notes receivable, valuation of accrued intangible assets, useful lives for amortization of long-lived assets and impairment of indefinite-lived intangible assets. Actual results may ultimately differ from estimates, although management does not generally believe such differences would materially affect the financial statements in any individual year. However, in regard to ongoing impairment testing of indefinite-lived intangible assets, significant deterioration in future cash flow projections or other assumptions used in valuation methods, versus those anticipated at the time of the valuations could result in impairment charges that may materially affect the financial statements in a given year.

Insurance Reserves

The Successor Company and Predecessor Company both are partially self-insured for employee medical coverage. The Successor Company and Predecessor Company record a liability for the ultimate settlement of claims incurred as of the balance sheet date based upon estimates provided by the third-party that administers the claims on the Company's behalf. The Successor Company and Predecessor Company also review historical payment trends and knowledge of specific claims in determining the reasonableness of the reserve. Adjustments to the reserve are made when the facts and circumstances of the underlying claims change. If the actual settlements of the medical claims are greater than the estimated amount, additional expense will be recognized.

Concentration of Credit Risk

Financial instruments, which subject the Successor Company and Predecessor Company to concentrations of credit risks, consist principally of cash balances, accounts receivable and notes receivable.

Foreign Currency Translation

The Successor Company and Predecessor Company's revenue, other than those of its Canadian subsidiaries, is denominated in U.S. dollars. For the Successor Company and Predecessor Company's Canadian subsidiaries, assets and liabilities are translated at exchange rates prevailing on the balance sheet date, and income and expense accounts are translated at average exchange rates for the respective periods. Currency translation adjustments are included in accumulated other comprehensive income.

Advertising

Advertising costs of the Successor Company and Predecessor Company are expensed as incurred or the first time an advertisement takes place depending on the nature of the advertising expense. Advertising costs totaled \$353 during the period from April 17, 2015 to December 26, 2015 (Successor Company), \$174 during the period from December 28, 2014 to April 16, 2015 (Predecessor Company), and \$877 during the year ended December 27, 2014 (Predecessor Company), and are included in selling, general and administrative expenses on the accompanying consolidated statements of operations.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

The franchisees of some of the Driven Franchise Brands are required to contribute advertising dollars according to the terms of their respective contract (either a percentage of sales or a defined periodic fixed amount) that are used for, among other activities, advertising the brand on a national and local basis, as determined by the brand's franchisor. Merlin's, Pro Oil, Econo and Radiator franchisees make their advertising contributions directly to their franchisor, which in turn administers and distributes the advertising contributions. Meineke franchisees make their contributions to either the U.S. or Canadian Meineke Advertising Fund (the MAFs). The U.S. fund for Meineke is a revocable trust administered by a third-party trustee, while the Canadian fund for Meineke is administered directly by the franchisor. Maaco and CARSTAR franchisees make their contributions to the Maaco Advertising Fund and CARSTAR Advertising Fund, respectively, which in turn administers and distributes their advertising contributions directly to the franchisor.

Collections and disbursements related to these advertising collections and expenditures are not included in the Successor Company and Predecessor Company's accompanying consolidated statements of operations because the contributions to these advertising funds are designated for specific purposes. The advertising related assets and liabilities held by the MAFs and amounts related to the advertising payments of Maaco, Merlin's, Pro Oil, Econo, Radiator and CARSTAR are considered restricted and disclosed on the Successor Company and Predecessor Company's accompanying consolidated balance sheets.

In conjunction with their administration and placement of the advertising funds, the Successor Company and Predecessor Company receive an administrative fee, commission or reimbursement of certain expenses directly associated with its services in accordance with the respective franchise agreement. These amounts are included in the Successor Company and Predecessor Company's accompanying consolidated statements of operations as other income.

Business Combinations and Divestitures

The Successor Company and Predecessor Company acquire certain centers under its key brands along with having to assume certain obligations as part of various acquisitions. These acquisitions are accounted for as business combinations using the acquisition method, whereby the purchase price (including assumed liabilities) is allocated to the net assets acquired based on their estimated fair values at the date of the acquisition. The Successor Company and Predecessor Company also will rebrand certain of these acquired centers at or shortly after the acquisition date to existing or new franchisees as part of the Successor Company and Predecessor Company's growth strategy. The proceeds received from the sales of these acquired centers are netted against the purchase price and those amounts are recorded in franchise agreements intangibles and amortized over the remaining estimated franchise agreements from the acquired centers.

The revenues and expenses for the centers acquired are included in the Successor Company and Predecessor Company's consolidated financial statements beginning on each of their respective acquisition dates. Upon the sale and rebrand of the centers, royalty revenues are included in the Successor Company and Predecessor Company's consolidated financial statements from the date of rebranding.

Recent Accounting Pronouncements

In April 2015, the FASB issued new accounting rules, which require debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. The new rules will be effective for the Company for the year ended December 31, 2016. The Company does not expect the adoption of the new accounting rules to have a material impact on the Company's financial condition, results of operations or cash flows.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

In November 2015, the FASB issued new accounting rules, intended to improve how deferred taxes are classified on organizations' balance sheets. The new guidance eliminates the current requirement for organizations to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, organizations will now be required to classify all deferred tax assets and liabilities as noncurrent. The new standard is effective for the Company in Fiscal 2017, and may be applied retrospectively or prospectively. The Company has elected to adopt the standard early, beginning in Fiscal 2015, and will apply the standard prospectively. The adoption of the new accounting rules did not have a material effect on the Company's financial condition, results of operations or cash flows.

2 Accounts and Notes Receivable

Accounts and notes receivable balances consisted of the following:

	Successor Company	Predecessor Company
	December 26, 2015	December 27, 2014
	\$	\$
Accounts receivable:		
Trade	65,061	33,285
Notes receivable - trade	10,329	11,747
Total receivable	75,390	45,032
Less:		
Allowance for doubtful accounts	(21,904)	(14,451)
Current portion	(48,394)	(24,976)
Accounts and notes receivable, long- term	5,092	5,605

The Successor Company recognized interest income from notes receivable of \$326 during the period from April 17, 2015 to December 26, 2015 and the Predecessor Company recognized \$99 during the period from December 28, 2014 to April 16, 2015 and \$286 during Fiscal 2014.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

3 Business Combinations and Divestitures

Successor Company

On December 2, 2015, the Company acquired CARSTAR Automotive Canada, Inc. for \$28,756, net of cash of \$0, as part of an asset purchase transaction (the “CARSTAR Canada Acquisition”) to increase the Company’s market penetration in the paint and collision industry. The CARSTAR Canada Acquisition resulted in the Company acquiring 230 system-wide stores including 1 company-owned center and 229 franchise centers. The preliminary purchase price for the CARSTAR Canada Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Accounts and notes receivable	1,034
Inventory	99
Prepays and other assets	179
Property and equipment	474
Franchise agreements	10,900
Total identifiable assets	12,686
Goodwill	19,241
Total assets acquired	31,927
Liabilities assumed:	
Accounts payable	570
Other non-current liabilities	2,601
Total liabilities assumed	3,171
Purchase consideration, net of cash	28,756

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

On December 1, 2015, Driven Florida Lubes, Inc., a subsidiary of the Company, purchased certain assets and assumed certain liabilities of North Florida Lubes, Inc. for \$26,197, net of cash of \$324, (the “North Florida Acquisition”) to increase the Company’s footprint in the quick lube industry. The North Florida Acquisition resulted in the Company acquiring 65 system-wide centers all of which were company-owned. The preliminary purchase price for the North Florida Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Accounts and notes receivable	96
Inventory	1,010
Prepays and other assets	365
Leases	717
Property and equipment	2,634
Total identifiable assets	4,822
Goodwill	25,679
Total assets acquired	30,501
Liabilities assumed:	
Accounts payable	1,270
Accrued expenses	392
Current portion of long term notes payable	270
Long term debt	2,372
Total liabilities assumed	4,304
Purchase consideration, net of cash	26,197

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

On October 21, 2015, the Company acquired CARSTAR Holdings Corp for \$22,956, net of cash of \$2,854, as part of a stock purchase transaction (the “CARSTAR Acquisition”) to increase the Company’s market penetration in the paint and collision industry. The CARSTAR Acquisition resulted in the Company acquiring 227 system-wide stores including 1 company-owned center and 226 franchise centers.

The preliminary purchase price for the CARSTAR Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Accounts and notes receivable	1,616
Inventory	79
Prepays and other assets	86
Property and equipment	655
Trademarks	3,120
Franchise agreements	12,300
License agreements	2,400
Total identifiable assets	20,256
Goodwill	11,086
Total assets acquired	31,342
Liabilities assumed:	
Accounts payable	525
Accrued expenses	2,755
Income tax payable	22
Deferred tax liabilities	5,084
Total liabilities assumed	8,386
Purchase consideration, net of cash	22,956

October 12, 2015, Meineke Car Care Centers, LLC, a subsidiary of Driven Brands, Inc. purchased certain assets and assumed certain liabilities of Auto Master for \$710 (the “Auto Master Acquisition”). The Auto Master Acquisition resulted in the Company acquiring 1 company-owned center. The preliminary purchase price for the Auto Master Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Inventory	46
Property and equipment	22
Total identifiable assets	68
Goodwill	754
Total assets acquired	822
Liabilities assumed:	
Accrued expenses	112
Total liabilities assumed	112
Purchase consideration, net of tax	710

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

On June 8, 2015, the Company acquired 1-800 All Parts Holdings, Inc. for \$90,945, net of cash of \$770, as part of a stock purchase transaction (the “1-800 Acquisition”). The 1-800 Acquisition resulted in the Company acquiring 209 system-wide stores including 6 company-owned warehouses and 1 franchise warehouse.

The preliminary purchase price for the 1-800 Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Accounts and notes receivable	25,024
Inventory	6,000
Prepays and other assets	1,975
Income tax receivable	907
Property and equipment	621
Trademarks	11,900
Developed technology	12,541
Franchise agreements	15,200
Total identifiable assets	74,168
Goodwill	58,227
Total assets acquired	132,395
Liabilities assumed:	
Accounts payable	30,188
Accrued expenses	7,308
Deferred tax liability	3,670
Long-term debt	284
Total liabilities assumed	41,450
Purchase consideration, net of cash	90,945

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

On April 16, 2015, after the close of business, the Ultimate Parent acquired the stock of Driven Holdings, LLC, the parent of Driven Brands, Inc. (Predecessor Company) for \$638,413, net of cash of \$2,658, (the “Driven Ownership Change”) to expand into the automotive distribution segment. The Driven Ownership Change included approximately 1,577 centers of which 13 were company-owned centers and 1,564 were franchise stores. The preliminary purchase price for the Driven Ownership Change has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Accounts and notes receivable	32,807
Inventory	746
Assets held for sale	1,573
Prepays and other assets	1,796
Advertising fund assets, restricted	9,809
Property and equipment	3,667
Trademarks	280,900
Developed technology	4,000
Franchise agreements	147,300
Leases	4,441
Total identifiable assets	487,039
Goodwill	283,297
Total assets acquired	770,336
Liabilities assumed:	
Accounts payable	9,330
Accrued expenses	5,763
Deferred franchise revenue, net	3,201
Deferred tax liabilities	98,835
Advertising fund liabilities	14,794
Total liabilities assumed	131,923
Purchase consideration, net of cash	638,413

Also, in connection with the Driven Ownership Change, the Successor Company incurred \$19,413 of transactions expenses during the period from April 17, 2015 to December 26, 2015. The Predecessor Company incurred \$29,160 in transaction expense during the period from December 28, 2014 to April 16, 2015. The Successor Company and Predecessor Company recorded no transaction expense during the period April 17, 2015 to December 26, 2015 and \$12,678 of transaction expense during the period December 28, 2014 to April 16, 2015, respectively, within the selling, general and administrative expenses in the accompanying consolidated statements of operations. Transaction expenses contingent on the consummation of the Acquisition, which totaled \$19,413 for the Predecessor Company and \$16,482 for the Successor Company, are not presented in these financial statements.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Predecessor Company

During Fiscal 2014, the Predecessor Company acquired certain assets and assumed certain liabilities of 27 automotive repair and maintenance and auto body repair and paint operators for approximately \$6,983. The acquisition costs were initially allocated at estimated fair value to significant categories related to working capital items, furniture and fixtures, shop equipment, intangible assets and deferred income taxes. As of December 27, 2014, the Company had sold and refranchised 19 of the acquired centers with the remaining centers expected to be sold during the second quarter of Fiscal 2015. For those centers that were sold, the net acquisition costs of \$3,139, which represent the direct cost of originating the franchise, have been recorded as intangible assets and are being amortized over 15 years. In addition, the Predecessor Company has recorded the unsold centers as “Assets Held for Sale” at a value of \$3,844, which represents the selling prices for those units. During Fiscal 2014, the Predecessor Company sold the remaining 15 acquired centers that were not sold as of December 28, 2013. During Fiscal 2014, certain provisional amounts recognized at the acquisition dates were finalized and related adjustments were recorded which resulted in an adjustment to the net acquisition costs of \$181, which are being amortized over the life of the franchise agreement. Adjustments included changes in the carrying amounts of certain assets and liabilities by means of an adjustment to goodwill and franchise origination intangible.

On September 2, 2014, Pro Oil Canada Partnership, LP (wholly owned subsidiary of Driven Brands Canada, Inc., a wholly owned subsidiary of Driven Brands, Inc.) purchased certain assets and assumed certain liabilities of Pro Oil Management and Affiliates for \$12,869 (the “Pro Oil Acquisition”). The Pro Oil Acquisition resulted in the Company acquiring 35 system-wide centers including 8 company-owned centers and 27 franchised centers.

The purchase price for the Pro Oil Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Notes receivable	23
Inventory	182
Other assets	48
Property and equipment	1,117
Trademarks	2,850
Franchise agreements	2,150
Covenant not-to-compete	290
Total identifiable assets	6,660
Goodwill	6,209
Total assets acquired	12,869
Purchase consideration, net of cash	12,869

On February 18, 2014, SBA-TLC, LLC (wholly owned subsidiary of Driven Brands, Inc.) purchased certain assets and liabilities of Merlin Corporation (“Merlin”) for \$5,922 (the “Merlin’s Acquisition”). The Merlin’s Acquisition resulted in the Company acquiring 48 automotive repair and maintenance center franchise locations operating under this brand name.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

The purchase price for the Merlin's Acquisition has been allocated as follows:

	Amount
	\$
Identified assets acquired:	
Accounts receivable	271
Trademarks	2,150
Franchise agreements	2,700
Covenant not-to-compete	80
Total identifiable assets	5,201
Goodwill	1,117
Total assets acquired	6,318
Liabilities assumed:	
Market fund liability	396
Total liabilities assumed	396
Purchase consideration, net of cash	5,922

The Fiscal 2014 refranchising transactions and acquisitions were funded with both cash from operations as well as borrowings from the Predecessor Company's credit facility.

4 Property and Equipment

Property and equipment is summarized as follows:

	Successor Company	Predecessor Company
	December 26, 2015	December 27, 2014
	\$	\$
Furniture and fixtures	561	1,209
Computer equipment and software	3,364	2,343
Shop equipment	4,320	230
Leasehold improvements	966	607
Vehicles	565	557
Buildings	807	1,054
Total gross	10,583	6,000
Less - Accumulated depreciation	(1,924)	(2,084)
Total net	8,659	3,916

Depreciation expense was approximately \$1,924 during the period from April 17, 2015 to December 26, 2015 (Successor Company), \$275 during the period from December 28, 2014 to April 16, 2015 (Predecessor Company) and \$753 during Fiscal 2014 (Predecessor Company).

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

5 Assets Held for Sale

At various times, the Successor Company and Predecessor Company acquire certain centers and classify these assets as held for sale while identifying a buyer and franchisee for the locations. At December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), \$300 and \$3,975, respectively, of the assets acquired remained held for sale. These held for sale assets are being actively marketed and management believes that their carrying value approximate fair value. No depreciation has been recorded on these assets since they were initially classified as held for sale. Any difference between the book value and sales price determined when these assets are sold are expected to be recorded as intangible assets and will be amortized over the estimated useful life of the affiliated franchise agreements.

The following table shows the fair value of the Company's non-financial assets and liabilities that are required to be measured at fair value on a non-recurring basis as of December 26, 2015 and December 27, 2014:

Successor Company:

	As of December 26,	Quoted Prices in Active Markets	Significant Other Observable Inputs	Unobservable Inputs
Assets at Fair Value	2015	Level 1	Level 2	Level 3
	(000)	(000)	(000)	(000)
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment and intangibles ⁽¹⁾	300	-	300	-

Predecessor Company:

	As of December 27,	Quoted Prices in Active Markets	Significant Other Observable Inputs	Unobservable Inputs
Assets at Fair Value	2014	Level 1	Level 2	Level 3
	(000)	(000)	(000)	(000)
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment and intangibles ⁽¹⁾	3,975	-	3,975	-

- ⁽¹⁾ Long-lived assets held for sale reflect the lower of cost or the current sales price at which equipment and intangibles are currently being marketed, less costs to sell.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

6 Goodwill and Intangible Assets

Successor Company

Intangible assets as of December 26, 2015, consist of the following:

December 26, 2015	Gross Value	Accumulated Amortization	Net Value	Useful Life
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	16,100	(1,545)	14,555	5-8 years
Franchise agreements	186,683	(4,121)	182,562	20-30 years
Leases	5,158	(388)	4,770	1-30 years
Intangible assets not subject to amortization:				
Trademarks	296,829		296,829	
Goodwill	396,767		396,767	
Total intangible assets	901,537	(6,054)	895,483	

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Amortization expense was approximately \$5,666 for the period from April 17, 2015 to December 26, 2015 and the Successor Company recorded no impairment loss on indefinite lived intangible assets or goodwill.

The Successor Company recognized a \$9,145 favorable lease asset and \$3,987 unfavorable lease liability as part of the acquisitions for the period April 17, 2015 to December 26, 2015. The value of the lease related intangibles is based on a comparison of lease terms to available current market data for similar leases. These lease assets are being amortized on the declining balance in accordance with the present value of their future cash flows. Amortization expense was approximately \$388 for the period from April 17, 2015 to December 26, 2015.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

	Amount
	\$
2016	10,979
2017	10,481
2018	10,465
2019	10,491
2020	9,045
Thereafter	150,426
Total amortization	201,887

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Predecessor Company

Intangible assets as of December 27, 2014, consist of the following:

December 27, 2014	Gross Value	Accumulated Amortization	Net Value	Useful Life
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,423	(541)	882	8 years
Non-complete agreements	1,013	(724)	289	2-3 years
Franchise agreements	143,820	(18,596)	125,224	6-30 years
Leases	10,089	(3,535)	6,554	2-22 years
Intangible assets not subject to amortization:				
Trademarks	207,570		207,570	
Goodwill	72,309		72,309	
Total intangible assets	436,224	(23,396)	412,828	

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Amortization expense was approximately \$2,138 during the period from December 28, 2014 to April 16, 2015 and \$7,320 during Fiscal 2014 and no impairment loss on indefinite lived intangible assets or goodwill.

The Predecessor Company did not recognize any lease assets as part of the acquisitions for the period December 28, 2014 to April 16, 2015 or Fiscal 2014. Existing lease assets are being amortized on the declining balance in accordance with the present value of their future cash flows. Amortization expense was approximately \$316 for the period from December 28, 2014 to April 16, 2015 and \$1,272 for Fiscal 2014.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

7 Long-term Debt

The Successor Company and Predecessor Company's long-term debt obligations consist of the following:

	Successor Company	Predecessor Company
	December 26, 2015	December 27, 2014
	\$	\$
Term Loan	-	203,463
Revolving Credit Facility	-	29,686
Installment Note Agreement	-	1,325
Senior Notes	408,975	-
Variable Funding Senior Note	30,500	-
Bridge Loan	50,000	-
Total debt	489,475	234,474
Less: current portion of long-term debt	(54,100)	(2,933)
Total long-term debt	435,375	231,541

Successor Company

Senior Credit Agreement April 2015

On April 16, 2015, the Successor Company entered into a term loan agreement (the "Term Loan 2015") and revolving credit facility (the "Revolving Facility 2015") (together, the "Senior Credit Agreement April 2015") with Barclay's Bank to finance the acquisition of Driven Brands, Inc. and Subsidiaries and to provide ongoing working capital to the Successor Company. Upon the execution of the Senior Credit Agreement April 2015, the Term Loan 2015 had a principal balance of \$335,000 and the Revolving Facility 2015 allowed for up to \$20,000 of borrowings. The Credit Agreement had a maturity date of December 14, 2015.

As of June 8, 2015, the Successor Company entered into the "First Amendment and Joinder Agreement" (the "First Amendment") to the Senior Credit Agreement April 2015. The First Amendment increased the principal amount of the Term Loan 2015 by \$75,000 to finance the acquisition of 1-800 All Parts Holding, Inc. The total principal balance of the Term Loan 2015, upon the First Amendment, was \$410,000. All other significant aspects of the Senior Credit Agreement April 2015 remained the same. On July 31, 2015, the Successor Company repaid the entire outstanding balance associated with the Senior Credit Agreement April 2015 with the additional proceeds received under the Series Notes (as defined below).

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Interest was due quarterly and the Successor Company had the option for the interest rate to be based on the Base Rate plus an applicable margin or the London Interbank Offering Rate (LIBOR) plus an applicable margin (the LIBOR rate). The Successor Company opted for the interest rate to be based on the LIBOR rate. On July 31, 2015, the LIBOR rate was 5%.

Series 2015-1 Notes

On July 31, 2015, Driven Brands Funding, LLC (the Issuer), a subsidiary of the Successor Company, issued its Series 2015-1 5.216% Fixed Rate Senior Secured Notes, Class A-2 in the amount of \$410,000 ("Senior Notes") and Series 2015-1 Variable Funding Senior Note, Class A-1 in the revolving amount of \$50,000 ("VFN," and together with the Senior Notes, the "Series 2015-1 Notes"). The Senior Notes are to be repaid through quarterly payments of principal of approximately \$1,025, with the remaining outstanding balance due upon maturity. The Series 2015-1 Notes were issued to refinance in part the Senior Credit Agreement of April 2015.

The Series 2015-1 Notes have a scheduled maturity date of July 20, 2045; however, they are expected to be paid by July 20, 2022 and are secured by substantially all assets of the Issuer and guaranteed by Driven Funding Holdco, LLC and various subsidiaries of the Issuer (collectively, the "Securitization Entities").

Interest is due quarterly on the Series 2015-1 Notes and Driven Brands Funding, LLC may elect the Base Rate plus an applicable margin or the LIBOR plus an applicable margin (the LIBOR rate as the applicable interest rate) for the VFN. The Successor Company opted for the interest rate to be based initially on the LIBOR rate. As of December 26, 2015, the LIBOR rate on the VFN was 5%, including the applicable margin plus LIBOR. The Senior 2015-1 Notes have a fixed interest rate of 5.216%.

At December 26, 2015, total outstanding borrowings under the VFN were \$30,500, which were used in part to purchase CARSTAR Holdings Corp and provide ongoing working capital to the Successor Company. The total available and unused borrowings were \$13,900.

The Successor Company is subject to a Leverage Ratio, along with other nonfinancial covenants, under the Series 2015-1 Notes. Driven Brands Funding, LLC, together with Successor Company and its subsidiary, is subject to a Debt Service Coverage Ratio with respect to the Series 2015-1 Notes. As of December 26, 2015, the Successor Company was in compliance with all covenants.

Senior Credit Agreement December 2015

On December 1, 2015, the Successor Company entered into a term loan agreement (the "Term Loan December 2015" or "Senior Credit Agreement December 2015") with Barclays's Bank, to purchase CARSTAR Automotive Canada, Inc. and North Florida Lubes, Inc. The Term Loan December 2015 has a principal amount of \$50,000 and a maturity date of November 29, 2016. The Term Loan December 2015 is secured by substantially all of the assets of the Successor Company and is guaranteed by Driven Holdings, LLC and Driven Brands, Inc. of the Successor Company.

Interest is due monthly and the Successor Company has the option for the interest rate to be based on the Base Rate plus an applicable margin or the LIBOR plus an applicable margin (the LIBOR rate). The Successor Company opted for the interest rate to be based on the LIBOR rate. As of December 26, 2015, the LIBOR rate was 5.00%.

The Successor Company is subject to a "Maximum Leverage Ratio Covenant" under the Senior Credit Agreement December 2015, along with other non-financial covenants. As of December 26, 2015, the Successor Company was in compliance with all covenants.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Predecessor Company

Senior Credit Agreement 2011

On December 16, 2011, the Predecessor Company entered into a term loan agreement (the “Term Loan 2011”) and revolving credit facility (the “Revolving Facility 2011”) (together, the “Senior Credit Agreement 2011”) with several financial institutions to finance the acquisition of the Predecessor Company and to provide ongoing working capital to the Predecessor Company. Effective November 6, 2012, the Senior Credit Agreement 2011 was amended to modify various terms, including the interest rate, maturity date and quarterly principal payments.

On January 3, 2014, the Predecessor Company entered into its Fourth Amendment to the Senior Credit Agreement 2011 (the “Fourth Amendment” or “2014 Debt Refinancing”). The key components in the Fourth Amendment related to (i) increasing the amount of the Term Loan 2011 to \$215,888; (ii) increasing capacity of the Revolving Facility 2011 to \$45,000; (iii) reducing the applicable interest rates on the Term Loan 2011 and the Revolving Facility 2011 to LIBOR plus an applicable margin; (iv) reducing the LIBOR floor to 1.00%; (v) increasing the quarterly principal payment on the Term Loan 2011 to \$513 till maturity and (vi) modifying certain baskets to reflect current business and market conditions. The Predecessor Company used \$70,000 of proceeds to repay the entire \$65,000 outstanding under the Senior Subordinated Credit Agreement plus accrued interest and premium associated with the pre-payment provisions along with other fees and expenses associated with the 2014 Debt Refinancing. In September 2014, the Predecessor Company entered into its Fifth Amendment to the Senior Credit Agreement 2011 increasing capacity of the Revolving Facility 2011 to \$60,000 to complete the Pro Oil acquisition. The Senior Credit Agreement was collateralized by substantially all assets of the Predecessor Company.

Term Loan 2011

As of December 27, 2014, the Term Loan 2011 in the principal amount of \$203,463 which was to be repaid through quarterly payments of principal of approximately \$513, with the remaining outstanding balance to be paid on March 15, 2017. On April 16, 2015, the Predecessor Company repaid the entire outstanding balance associated with the Term Loan 2011 with the proceeds received at the sale of the Predecessor Company.

Interest was due monthly and the Predecessor Company had the option for the interest rate to be based on Base Rate plus an applicable margin or the LIBOR plus an applicable margin (the LIBOR rate).

At April 16, 2015, the Predecessor Company elected a Base Rate loan for the loan outstanding balance. The Base Rate plus applicable margin on the outstanding balance was payable at 7.25%.

At December 27, 2014, the Predecessor Company elected to maintain \$201,813 of this balance at LIBOR. The interest rate was calculated using the thirty-day LIBOR plus the applicable margin, which was 6% at December 27, 2014. The Predecessor Company elected a Base Rate loan for the additional \$1,650 of the outstanding balance at December 27, 2014. The interest rate is calculated using the market prime rate plus the applicable margin, which was 7.25% at December 27, 2014.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Revolving Facility 2011

As of December 27, 2014, the amended Revolving Facility 2011 agreement allowed the Predecessor Company to borrow up to \$60,000, for which \$20,000 was allowed to be borrowed in Canadian Dollars and was to be paid on March 15, 2017. On April 16, 2015, the Predecessor Company repaid the entire outstanding balance associated with the Revolving Facility 2011 with the proceeds received at the sale of the Predecessor Company.

Each Revolving Loan bears interest on the outstanding principal amount borrowed from the date when made at a rate per annum equal to the LIBOR or the Base Rate, as the case may be, plus the applicable margin. At December 27, 2014 and April 16, 2015, the LIBOR rate was 4.75% and 4.5%, respectively.

At December 27, 2014, total outstanding borrowings under the Revolving Facility 2011 were \$29,686 of which \$13,000 was denominated in Canadian Dollars. The total available and unused borrowings were \$30,314 of which \$7,000 was available and unused in Canadian Dollars.

Senior Subordinated Credit Agreement 2011

On December 16, 2011, the Predecessor Company entered into a Senior Subordinated Credit Agreement (the Senior Subordinated Credit Agreement 2011) to provide financing for certain transactions and provide ongoing working capital of the Predecessor Company. The Senior Subordinated Credit Agreement 2011 in the original principal amount of \$65,000 was to be repaid June 16, 2017. This loan was subordinated to the Senior Credit Facility.

Interest on the Senior Subordinated Notes were payable, at the election of the Predecessor Company (1) entirely in cash or (2) a portion in cash and a portion by increasing the principal amount of the outstanding notes (PIK interest). For interest payments on the Senior Subordinated Credit Agreement 2011 that the Predecessor Company elected to pay entirely as cash interest, the cash interest accrued at a rate equal to 12% per annum. For interest payments on the Senior Subordinated Credit Agreement 2011 that the Predecessor Company elected to pay as a combination of cash interest and PIK interest, cash interest accrued at a rate equal to 10% per annum and PIK interest accrued at a rate equal to 2% per annum. For the period from December 29, 2013 to December 27, 2014, the Predecessor Company elected to pay cash interest for all interest payments. On January 3, 2014, the Predecessor Company repaid the entire outstanding balance associated with the Senior Subordinated Credit Agreement 2011 with the additional proceeds received under the 2014 Debt Refinancing.

Installment Note Agreement

On February 18, 2014, the Predecessor Company entered into an Installment Note Agreement (the Installment Note) as part of the Merlin's Acquisition. The Installment Note in the original principal amount of \$1,750 was to be repaid in consecutive semi-annual installments of principal and interest of \$239 with the remaining outstanding balance due upon maturity on December 17, 2017. Interest accrued at a rate equal to 4% per annum. On April 17, 2015, the Successor Company assumed the obligations under the installment note agreement. The note was renegotiated and satisfied on November 25, 2015.

Loan Covenants

The Predecessor Company was subject to certain quantitative covenants related to fixed-charge coverage, total debt to earnings before interest, taxes, depreciation and amortization (EBITDA) and maximum capital expenditure limits. These loan agreements also contain various positive and negative operating and financial reporting covenants which are customary for such debt instruments. At December 27, 2014 and at the time of payment, the Predecessor Company was in compliance with all covenants under the agreements discussed above.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

8 Income Taxes

Deferred tax assets and liabilities are comprised of the following:

	Successor Company	Predecessor Company
	December 26, 2015	December 27, 2014
	\$	\$
Deferred tax assets:		
Accrued liabilities	1,650	394
Accounts receivable	7,646	4,868
MAF fund balance	2,892	2,518
Net operating loss carryforwards	27,556	16,074
Other deferred assets	968	859
	40,712	24,713
Deferred tax liabilities:		
Goodwill and intangible assets	(145,453)	(92,142)
Lease market adjustments	(768)	(871)
Deferred revenue	(1,531)	(758)
Other deferred liabilities	(1,415)	(84)
	(149,167)	(93,855)
Net deferred tax liabilities	(108,455)	(69,142)

The Company has elected to early adopt Accounting Standard Update (ASU) 2015-17 on a prospective basis. As a result, all deferred tax assets and liabilities as of December 26, 2015 will be classified as non-current, and prior periods have not been adjusted retrospectively.

The provision for income taxes consists of the following:

	Successor Company	Predecessor Company	Predecessor Company
	Period From April 17, 2015 to December 26, 2015	Period From December 28, 2014 to April 16, 2015	Year Ended December 27, 2014
	\$	\$	\$
Current			
Federal tax expense	213	(315)	283
Foreign tax expense	(792)	-	119
State tax expense	22	(52)	243
Deferred	1,892	(4,690)	4,037
Total tax expense	1,335	(5,057)	4,682

The Successor Company's effective tax rate for the period from April 17, 2015 to December 26, 2015 differs from the federal statutory rate primarily due to non-deductible transaction related costs, and state taxes. The Predecessor Company's effective tax rate for the period from December 28, 2014 to April 16, 2015 differs from the federal statutory rate primarily due to non-deductible transaction related costs, and state taxes and for Fiscal 2014 (Predecessor Company) the effective tax rate differs from the federal statutory rate primarily due to certain permanent differences and state taxes.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

The Company has recorded a liability for uncertain tax positions as of December 26, 2015 of \$910. As of April 17, 2015, the balance was \$110, the increase was recorded due to purchase accounting through an acquisition. The Company has elected to treat interest and penalties associated with uncertain tax position as tax expense. The Company does not estimate any change to the position in the next 12 months, and to date has recorded no interest and penalties in the income statement.

During Fiscal 2015, the Company increased its federal net operating loss carryforwards by \$26,000, primarily due to the acquisition of \$22,300 in losses under purchase accounting. As of December 26, 2015, the Company had federal and state operating loss carry forwards of approximately \$72,000 and \$38,400 for which portions of the state operating loss carryforwards begin to expire in the current year and federal operating loss carryforwards begin to expire in 2021. All of the net operating losses are subject to certain limitations under IRC Sect. 382, however, the Company believes that these losses are more likely than not to be utilized. As of December 26, 2015, the Successor Company had \$76,000 of goodwill that was deductible for tax purposes.

9 Related-party Transactions

Under the Meineke Franchise and Trademark Agreement with franchisees, each Meineke franchisee and each company-owned shop is required to contribute weekly advertising funds to the applicable MAF. Meineke obtains various types of advertising on behalf of the MAF through various advertising agencies or service providers. The cost of this advertising is then billed to the MAF. Meineke receives a fee of 2.75% of MAF cash collections for administering the advertising and marketing programs funded by the MAF and for collecting fees on behalf of the MAF. For the period April 17, 2015 to December 26, 2015 (Successor Period), December 28, 2014 to April 16, 2015 (Predecessor Company) and Fiscal 2014 (Predecessor Company), this fee totaled \$740, \$315 and \$990, respectively. As of December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), Meineke had a payable of \$2,367 and \$342, respectively, related to the MAF for such services and advertising to be placed on behalf of the franchisees.

The Successor Company and Predecessor Company have an advisory services agreement with their respective Parents, which provides that the Company pay an annual advisory services fee to the shareholder in the amount of \$1,000 and an additional fee based on earning growth since inception, plus certain out-of-pocket expenses incurred by the Parent. For the period April 17, 2015 to December 26, 2015 (Successor Company), December 28, 2014 to April 16, 2015 (Predecessor Company) and Fiscal 2014 (Predecessor Company) \$708, \$564 and \$1,400 was paid to the Successor Company and Predecessor Company's Parent, respectively.

The Predecessor Company's Senior Subordinated Credit Agreement was held by several shareholders of the Predecessor Company. For the period December 28, 2014 to April 16, 2015 and during Fiscal 2014, the Predecessor Company incurred interest expense of \$3,725 and \$2,015, respectively, on the Senior Subordinated Credit Agreement.

On June 8, 2015 the Successor Company provided a loan in the amount of \$750 secured by a Promissory Note, which matures in July 2020 to an Executive of the Successor Company in connection with that Executive's purchase of 1,500 Units of Driven Investor LLC. Those units are pledged to Driven Brands, Inc. as security for repayment of the loan. The balance outstanding on the note was \$713 on December 26, 2015.

10 Employee Benefit Plans

The Successor Company and Predecessor Company have a 401(k) plan that covers eligible employees as defined by the plan agreement. The plan permits a deferral of up to 25% of gross wages, with a company match of 50% of the first 6%. Contributions to the plan were \$519 during the period from April 17, 2015 to December 26, 2015 (Successor Company), \$106 during the period from December 28, 2014 to April 16, 2015 (Predecessor Company) and \$278 for Fiscal 2014 (Predecessor Company).

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

1-800 Radiator & A/C has a 401(k) plan that covers eligible employees as defined by the plan agreement. The plan permits a maximum deferral of the lesser of 100% of annual wage or \$17,500 and participants who are or are turning age 50 or older may make an additional \$5,500 annual “catch-up contribution.” The company matches 5% of each dollar contributed by an employee. The 1-800 Radiator & A/C 401(k) plan was frozen as of December 31, 2015. No further contributions posted to that plan after that date. Only 401k loan payments were processed with the former record-keeper.

11 Equity Agreements and Incentive Equity Plan

Predecessor Company

On December 16, 2011, after the close of business, Harvest Partners VI, LP (Predecessor Parent) acquired a majority ownership in the outstanding stock of Driven Brands Inc. and subsidiaries (the Harvest Acquisition). In November 2011, the Predecessor Parent entered into a limited liability company agreement (the “Agreement”) as part of the establishment of the entity Driven Holdings, LLC, which was subsequently amended (the “Amended Agreement”) on December 16, 2011 as part of the Harvest Acquisition. As part of the Harvest Acquisition, Driven Holdings, LLC acquired 100% ownership in the Company. The Amended Agreement, among other things, established the ownership of certain membership units in Driven Holdings, LLC and defines the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Amended Agreement calls for certain restrictions regarding transfers of units, corporate governance and Board of Director representation. Certain membership units were issued, granted, purchased, repurchased and sold to employees and directors during Fiscal 2014 (Predecessor Company) and the period of December 28, 2014 to April 17, 2015 (Predecessor Company).

In December 2011, Driven Holdings, LLC established certain incentive equity units as part of the Amended Agreement (the “Equity Plan”). The Equity Plan provides for grants of certain incentive units to employees, directors or consultants of Driven Holdings, LLC. As of December 27, 2014, Driven Holdings, LLC had approximately 1,673,677 common units, and 220,380 catch-up units reserved for issuance under the Plan, with 74,448 reserved for each of the following types of units; Incentive Profits Interest -Performance Based A, Incentive Profits Interest -Time Based Catch Up A, Incentive Profits Interest -Performance Based B, and Incentive Profits Interest -Time Based Catch Up B, 71,905 reserved for Incentive Profits Interest -Time Based units, and 71,484 reserved for Incentive Profits Interest -Time Based Catch Up units.

The Predecessor Company granted 150,975 Preferred Units (Special Priority Profits Interests) and 15,250 Common Units (Special Priority Profits Interests) during the period July 1, 2012 to December 29, 2012 to certain employees. These units vest based on future earnings targets for which no units vested as of December 27, 2014.

All outstanding units under the Amended Agreement were fully vested at the Acquisition date.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

Predecessor Company	Common Units (Incentive Profits Interest-Time Based)	Common Units (Incentive Profits Interest-Performance)	Common Units (Incentive Profits Interest- Performance)	Common Units (Special Priority Profits Interests)
Outstanding, December 28, 2013	75,117	73,433	73,433	15,250
Granted	9,570	9,570	9,570	
Exercised	-	-	-	
Forfeited/Cancelled	(12,782)	(12,782)	(12,782)	
Outstanding, December 27, 2014	71,905	70,221	70,221	15,250
Granted				
Exercised				
Forfeited/Cancelled				
Outstanding, April 16, 2015	71,905	70,221	70,221	15,250

Predecessor Company	Common Units (Incentive Profits Interest-Time Based Catch Up)	Common Units (Incentive Profits Interest-Time Based Catch Up A)	Common Units (Incentive Profits Interest-Time Based Catch Up B)	Common Units (Special Priority Profits Interests)
Outstanding, December 28, 2013	74,696	73,433	73,433	150,975
Granted	9,570	9,570	9,570	
Exercised	-	-	-	
Forfeited/Cancelled	(12,782)	(12,782)	(12,782)	
Outstanding, December 27, 2014	71,484	70,221	70,221	150,975
Granted				
Exercised				
Forfeited/Cancelled				
Outstanding, April 16, 2015	71,484	70,221	70,221	150,975

Successor Company

On April 17, 2015, Driven Investor, LLC (parent to the Ultimate Parent) entered into a limited liability company agreement (the "Equity Plan"). The Equity Plan, among other things, established the ownership of certain membership units in Driven Investor, LLC and defined the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Equity Plan calls for certain restrictions regarding transfers of units, corporate governance and Board of Director representation. Certain membership units were issued and granted during the period of April 17, 2015 to December 26, 2015.

During the April 17, 2015 to December 26, 2015, \$34,908 was contributed to the Company to fund certain portions of acquisitions.

In April 2015, Driven Investor, LLC established certain profits interest units as part of the award agreements (the "Award Agreements"). The Award Agreements provide for grants of certain profits interest units to employees, directors or consultants of Driven Investor, LLC and Subsidiaries. As of December 26, 2015, Driven Investor, LLC had approximately 11,698 Profits Interest Time Units and 44,196 Profits Interest Performance Units reserved for issuance under the Equity Plan.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

The Company granted 12,718 Profits Interest Time Units and 25,380 Profits Interest Performance Units during the period April 17, 2015 to December 26, 2015 to certain employees providing services to the Company.

The Profits Interest Time Units become vested and exercisable in five installments of 20% each on each of the first five anniversaries of the grant date; provided that the employee remains in continuous service on each vesting date. All outstanding Profits Interest Time Units shall vest immediately prior to the effective date of a change in control (as long as such sale is consummated)

Profits Interest Performance Units will vest immediately prior to the effective date of a change in control (as long as such change in control is consummated). The percentage of vesting is based on achieving certain performance criteria. Vesting will not occur unless a minimum performance criteria threshold is achieved.

For the both the Time-Vesting Units and Performance-Vesting Units, if the grantee's continuous service terminates for any reason, the Grantee shall forfeit all right, title, and interest in and to any unvested units as of the date of such termination, unless the grantee's continuous service period is terminated by the Company without cause within the six month period prior to the date of consummation of the change in control. In addition, the grantee shall forfeit all right, title, and interest in and to any vested units if the grantee is terminated for cause, breaches any post-termination covenants, or for failing to execute any general release required to be executed. The Profits Interest Performance Units are also subject to certain performance criteria which may cause the units not to vest.

Successor Company	Time Units	Performance Units
Outstanding, April 17, 2015	-	-
Granted	12,718	25,380
Exercised		
Forfeited/Cancelled	(1,205)	(2,404)
Outstanding, December 26, 2015	11,513	22,976

The Company recognized approximately \$275 in compensation expense for the Time-Vesting Units for the period from April 17, 2015 to December 26, 2015. As of December 26, 2015 no compensation expense for the Profits Interest Performance Units was recognized given that none of the performance criteria were met or probable.

The fair value of all incentive units granted was estimated using a Black-Scholes option pricing model using the following assumptions:

	Incentive Units
Annual dividend yield	0.00%
Weighted average expected life (Years)	5.00
Risk-free interest rate	1.90%
Expected volatility	75.00%

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

12 Commitments and Contingencies

At December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), the Successor Company and Predecessor Company's subsidiaries had 231 and 178 non-cancelable operating lease agreements, respectively, for the rental of office space, company-owned shops, office equipment and certain franchisee shops where the Company's subsidiaries entered into lease agreements with owners of real property in order to sublet the leased premises to its franchisees for purposes of operating Meineke, Maaco, Pro Oil and Econo. The Successor Company's future minimum rental commitments under these operating leases with remaining terms in excess of one year and related sublease rentals are approximately as follows:

	Operating Leases	Sublease Rentals
	\$	\$
2016	18,493	7,470
2017	17,202	6,843
2018	14,853	5,482
2019	13,702	4,773
2020	11,430	3,700
Thereafter	58,523	-
	134,203	28,268

Total rental expense was approximately \$10,079 for the period from April 17, 2015 to December 26, 2015 (Successor Company), \$4,287 for the period from December 28, 2014 to April 16, 2015 (Predecessor Company) and \$13,916 for Fiscal 2014 (Predecessor Company), which is presented within cost of goods sold in the statements of operations. This amount was partially offset by approximately \$9,459, \$3,002 and \$12,704 of sublease rental income received during the same periods, respectively, which is presented in other revenue in the statements of operations.

The Successor and Predecessor Company's subsidiaries are parties to operating leases and subleases that contain escalating rentals. At December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company), a deferred rent liability of \$342 and \$544 is recorded in accrued liabilities and other assets, respectively, in order to recognize the related rent expense and income on a straight-line basis over the lease term.

Legal actions incident to the ordinary course of business are pending against the Company or its subsidiaries. The Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Successor Company and Predecessor Company have entered into agreements whereby they are guaranteeing up to \$600 for certain payment performance obligations related to two pools, \$250 and \$350, of financing for franchisees. At December 26, 2015 (Successor Company) and December 27, 2014 (Predecessor Company) the amounts totaled \$0 and \$600, respectively. During Fiscal 2014, the Predecessor Company incurred and subsequently paid \$250 related specifically to the guarantee of the first pool of financing under these agreements.

13 Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 28, 2016, the date the financial statements were available to be issued. All subsequent events requiring recognition and disclosure have been incorporated into these financial statements.

Notes to consolidated financial statements (Cont.)

(Dollar amounts in thousands)

On February 23, 2016, Meineke Car Care Centers, LLC, a division of Driven Brands, Inc. purchased certain assets and assumed certain liabilities of Kurani Car Care, LLC for \$900 (the “Meineke Acquisition”). The Meineke Acquisition resulted in the Company acquiring 6 company-owned stores, which are being marketed for resale.

On March 30, 2016, the Successor Company entered into a Management Agreement with Driven Sister Holdings, LLC, a related-party entity. The Management Agreement allows for the Successor Company to administer collections to perform certain franchising, marketing, intellectual property and operation and reporting services on behalf of Driven Sister Holdings, LLC. In exchange for providing such services, the Successor Company will be entitled to receive certain management fees on a quarterly basis. In connection with the Management Agreement, the assets and liabilities of Havoline Express Lube were transferred to Take 5 Oil Change, Inc., an indirect wholly-owned subsidiary of Driven Sister Holdings, LLC.

Consolidated Financial Statements and Report of
Independent Certified Public Accountants

Driven Brands, Inc. and Subsidiaries

As of December 27, 2014 and December 28, 2013

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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To the Shareholders and Board of Directors of
Driven Brands, Inc. and Subsidiaries:

We have audited the accompanying consolidated financial statements of **Driven Brands, Inc.** (a Delaware corporation) **and Subsidiaries**, which comprise the consolidated balance sheets as of December 27, 2014 and December 28, 2013, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for the fiscal years ended December 27, 2014 and December 28, 2013, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Driven Brands, Inc. and Subsidiaries as of December 27, 2014 and December 28, 2013, and the results of their operations and their cash flows for the fiscal years ended December 27, 2014 and December 28, 2013, in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Charlotte, North Carolina
April 8, 2015

Consolidated balance sheets

	December 27, 2014	December 28, 2013
	(000s)	(000s)
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	4,064	1,298
Accounts and notes receivable, net of allowances	24,976	20,076
Inventory	562	411
Assets held for sale	3,975	2,121
Prepays and other assets	1,908	1,614
Deferred tax assets	4,421	3,961
Income tax receivable	-	289
Advertising fund assets, restricted	7,415	4,873
Total current assets	47,321	34,643
Notes receivable, net of allowance	5,605	4,290
Property and equipment, net	3,916	2,418
Debt issuance costs, net	3,903	5,254
Intangible assets, net	340,519	336,832
Goodwill	72,309	64,901
	473,573	448,338

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheets (cont'd)

	December 27, 2014	December 28, 2013
	(000s)	(000s)
	\$	\$
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	5,152	5,510
Accrued expenses	6,242	7,725
Accrued interest	2,767	2,546
Current portion of long-term debt	2,933	1,700
Income tax payable	565	-
Deferred revenue, net	3,570	1,438
Advertising fund liabilities	11,291	6,578
Total current liabilities	32,520	25,497
Long-term debt	231,541	224,413
Deferred tax liabilities	73,563	69,066
Total liabilities	337,624	318,976
Shareholders' equity:		
Class A common stock (voting), \$.01 par value, authorized 60,000,000 shares; issued and outstanding 56,560,217 shares at December 27, 2014 and December 28, 2013	565	565
Class B common stock (nonvoting), \$.01 par value, authorized 12,461,152 shares; issued and outstanding 0 shares at December 27, 2014 and December 28, 2013	-	-
Additional paid-in capital	132,908	132,518
Retained earnings (deficit)	3,421	(3,481)
Accumulated other comprehensive income	(944)	(239)
Noncontrolling interest	(1)	(1)
Total shareholders' equity	135,949	129,362
	473,573	448,338

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of income

	Year ended December 27, 2014	Year ended December 28, 2013
	(000s)	(000s)
	\$	\$
Revenue:		
Franchise fees	65,658	58,343
Paint and supply sales	41,034	38,610
Other revenues	27,502	28,578
	134,194	125,531
Costs and expenses:		
Operating, selling and administrative expenses	46,204	43,773
Cost of goods sold	48,097	45,714
Depreciation and amortization	11,223	9,918
Total cost and expenses	105,524	99,405
Interest expense, net	14,194	19,216
Loss on extinguishment of debt	2,892	-
Income before provision for income taxes	11,584	6,910
Provision for income taxes - Income tax expense	4,682	3,708
Net income	6,902	3,202
Less - Net income (loss) attributable to noncontrolling interest	-	-
Net income attributable to Driven Brands, Inc.	6,902	3,202

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of comprehensive income

	Year ended December 27, 2014	Year ended December 28, 2013
	(000s)	(000s)
	\$	\$
Net income	6,902	3,202
Other comprehensive income, net of tax:		
Foreign currency translation adjustment	705	476
Other comprehensive loss	705	476
Comprehensive income, net	6,197	2,726

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of shareholders' equity

Driven Brands, Inc. Shareholders							
	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Noncontrolling Interest	Total Equity
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
	\$	\$	\$	\$	\$	\$	\$
Balance, December 29, 2012	565	-	131,988	237	(6,683)	(1)	126,106
Share-based compensation expense	-	-	430	-	-	-	430
Comprehensive income	-	-	-	(476)	3,202	-	2,726
Incentive unit issuances/buybacks	-	-	100	-	-	-	100
Balance, December 28, 2013	565	-	132,518	(239)	(3,481)	(1)	129,362
Share-based compensation expense	-	-	430	-	-	-	430
Comprehensive income	-	-	-	(705)	6,902	-	6,197
Incentive unit issuances/buybacks	-	-	(40)	-	-	-	(40)
Balance, December 27, 2014	565	-	132,908	(944)	3,421	(1)	135,949

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flow

	Year ended December 27, 2014	Year ended December 28, 2013
	(000s)	(000s)
Cash flows from operating activities:	\$	\$
Net income	6,902	3,202
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,250	9,918
Loss on disposal of property, plant, and equipment	282	131
Loss on debt extinguishment	2,892	-
Gain on disposal of assets held for sale	(92)	(309)
Loss (gain) on sale of business	318	(691)
Provision for deferred income taxes	3,531	3,352
Equity compensation expense	430	430
Changes in assets and liabilities:		
Accounts and notes receivable, net	(5,780)	(3,574)
Inventory	31	464
Prepays and other assets	136	441
Advertising fund, net	1,775	(1,951)
Deferred revenue, net	2,132	11
Accounts payable and accrued expenses	(1,628)	1,294
Income taxes payable	854	5
Net cash provided by operating activities	23,033	12,723
Cash flows from investing activities:		
Purchases of property and equipment	(1,600)	(1,394)
Proceeds from sales of assets held for sale	2,082	479
Purchase of Pro Oil, net of cash	(12,869)	-
Purchase of Merlins, net of cash	(5,922)	-
Acquisition or investment in franchising centers	(6,983)	(14,418)
Proceeds from sales of acquired stores	813	3,382
Proceeds from sale of business, net	-	290
Net cash used in investing activities	(24,479)	(11,661)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flow (cont'd)

	Year ended December 27, 2014	Year ended December 28, 2013
	(000s)	(000s)
	\$	\$
Cash flows from financing activities:		
Issuance of units	-	1,201
Repurchase of units	(40)	-
Payment of financing fees	(1,357)	-
Proceeds from line of credit	47,477	-
Proceeds from term loan	45,888	-
Payment of acquired company debt	-	(260)
Repayment of line of credit	(19,791)	(500)
Repayment of long-term debt	(66,538)	(1,700)
Payment of debt extinguishment costs	(1,955)	-
Net cash provided by (used in) financing activities	3,684	(1,259)
Effect of exchange rate changes on cash	528	(476)
Net increase (decrease) in cash and cash equivalents	2,766	(1,774)
Cash and cash equivalents, beginning of period	1,298	3,072
Cash and cash equivalents, end of period	4,064	1,298
Supplemental cash flow information:		
Cash payments for interest	14,221	19,628
Cash payments of income taxes	465	328
Noncash investing activities:		
Consideration for sale of business	-	1,100
Installment note agreement	1,750	1,100

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

1 Description of Business and Summary of Significant Accounting Policies

Description of Business

Driven Brands, Inc. and subsidiaries (collectively referred to as the Company) comprises the worldwide operations of Meineke Car Care Centers (Meineke), Maaco Collision Repair and Auto Painting Centers (Maaco) Merlin's 200,000 Miles shops (Merlin's), Pro Oil Change (Pro Oil), Econo-Lube N' Tune (Econo), Drive N Style (collectively, the Concepts). The legal entities associated with these brands are Meineke Car Care Centers, LLC, Maaco Franchising LLC, SBA-TLC, LLC, Driven Brands Canada, Inc., Econo Lube N' Tune, LLC, and Drive N Style LLC. The Concepts develop, operate, franchise and license their individual business systems to provide retail and business-to-business automotive services. The Concepts represent various legal entities that are consolidated within the Company. The Company has more than 1,500 units worldwide, with 94% located within the United States and the remainder located primarily in Canada and Mexico.

Meineke, Merlin's, Pro Oil and Econo each provide automotive repair and maintenance services through retail locations. Maaco provides auto body repairs and painting services through retail locations. Aero-Colours and AutoQual provide automotive appearance services to new and used car dealerships through mobile vans.

The Company has completed several refranchising transactions, where the Company acquires retail locations and refranchises the locations to new or existing franchisees, as well as acquisition transactions, and in certain circumstances has retained the target's brand name.

Basis of Presentation

Effective December 29, 2012, the Company changed its fiscal year end to the last Saturday of December. Prior to December 29, 2012, the Company's fiscal year ended on the last Saturday of June. The period of operations included in the accompanying consolidated financial statements include the period from December 29, 2012 through December 28, 2013 (Fiscal 2013) and the period from December 28, 2013 through December 27, 2014 (Fiscal 2014), each were 52 week periods. The accompanying audited consolidated financial statements include the accounts of the Company and all entities required to be consolidated. During Fiscal 2013, the Company completed a legal entity reorganization to simplify reporting, reduce administration and reflect changes in the business. This reorganization required the Company to create certain new subsidiaries, convert certain entities from corporations to LLCs and merge other entities. All significant intercompany balances and transactions have been eliminated in consolidation.

On December 16, 2011, after the close of business, Harvest Partners VI, LP (Parent) acquired a majority ownership in the outstanding stock of Driven Brands Inc. and subsidiaries (the Harvest Acquisition). The transaction was accounted for as a business combination. The Company elected to apply push-down accounting including cash flows. Accordingly, the Company recognized the tangible assets and liabilities and identifiable intangible assets of Driven Brands, Inc. at their estimated fair values.

Also included in the consolidated financial statements are the restricted assets and related liabilities of the U.S. and Canadian Meineke Advertising Funds (the MAFs). The U.S. fund is a revocable trust administered by a third-party trustee, while the Canadian fund is administered directly by the Company, into which weekly advertising contributions made by Canadian Meineke franchisees are deposited.

Revenue Recognition

Franchise fee revenue is recognized in the period that corresponds to when the related retail sales and revenues are recognized by franchisees. Paint and supply sale revenue is recognized upon the shipment of products to franchisees. Other revenues primarily consist of revenues generated from Company-owned shop sales, shop leases, advertising fees, initial license fees and software maintenance fees. Company-owned shop sales are recognized when customer vehicles are repaired or serviced. Shop lease revenues are recognized on a straight-line basis over the underlying property lease terms. Advertising fees are recognized in accordance with the fee agreements defined in the subsidiaries' franchise agreements. Initial license fees are recognized when the franchised shop opens or after certain contractual obligations have been met. License and software maintenance fees are recognized on a monthly basis in connection with providing and servicing proprietary software.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and short-term, highly liquid investments with original maturities of three months or less.

The Company maintains amounts on deposit with various financial institutions, which generally exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and the Company has not experienced any losses on such deposits.

Inventory

Inventory, which consists of various shop supplies and products used by Company-owned shops, is stated at the lower of cost, as determined by the first-in, first-out method, or market.

Deferred Revenues, net

Revenues and costs relating to the sale of a franchise are deferred until the Company has substantially fulfilled its pre-opening obligations. Deferred revenues and costs are presented net on the consolidated balance sheets. Revenues from license sales are presented within other income and the costs associated with license sales are presented in operating, selling and administrative expenses in the consolidated statements of operations once the Company has substantially fulfilled its pre-opening obligations.

The Company also periodically receives funds that benefit future periods and has deferred such amounts over the estimated realization period on a straight-line basis or a percentage of completion basis.

Accounts Receivable, net

Accounts receivable consists principally of amounts due related to the sale of equipment, supplies, advertising, and franchise fees. Accounts receivable are reported at their estimated net realizable value.

Notes Receivable, net

Notes receivable are primarily from franchisees and relate to financing arrangements for certain previously past due balances or to partially finance the acquisition of company-owned shops or refranchising locations. The notes are typically collateralized by the assets of the franchisee shop with interest rates ranging up to 12% depending on the level of credit risk and payment terms. Interest income recognized on these notes is included in interest expense, net on the accompanying consolidated statements of operations.

Allowances for Doubtful Accounts

Accounts and notes receivable are reported at their estimated net realizable value. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts of accounts and notes receivable. Management determines the allowance by considering a number of factors, including the length of time trade accounts receivable and notes receivable are past due, the Company's previous loss history, the customers' current ability to pay their obligations to the Company and the condition of the general economy and the industry as a whole. Receivables are written-off based on individual credit evaluation and specific circumstances of the franchisee and customer. Management has established an allowance for doubtful accounts of \$14,451 and \$10,786 as of December 27, 2014 and December 28, 2013, respectively.

Shop Rental Agreements

Certain of the Company's subsidiaries are parties to leasing and subleasing agreements with third parties and their franchisees, respectively. The minimum rentals associated with these agreements are recognized as expense and income on a straight-line basis over the terms of the agreements.

Property and Equipment

Property and equipment are recorded at cost plus the cost of additions and improvements that increase the useful lives of the assets. The cost and accumulated depreciation of assets retired or sold are removed from the related accounts. Maintenance and repairs are charged to expense as incurred. Depreciation is computed principally on the straight-line method over the estimated useful lives of the respective assets.

The average lives used in computing depreciation are as follows:

Furniture and fixtures	5 to 8 years
Computer equipment and software	3 years
Shop equipment	5 to 10 years
Leasehold improvements	5 years
Vehicles	5 years
Buildings	30 years

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company assess whether its long-lived assets are impaired by determining an impairment loss only if the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows based on an evaluation of undiscounted projected cash flows through the remaining depreciation period. If impairment exists, the amount of such impairment to be recognized is calculated based on the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. The Company concluded no impairment existed as of December 27, 2014 and December 28, 2013.

Software

The Company amortizes the costs of computer software developed for internal use on a straight-line basis over its estimated useful life of three (3) years. The internal use software is included in property and equipment, net, on the accompanying consolidated balance sheets at carrying value.

Intangible Assets (Including Goodwill)

Intangible assets represent trademarks, franchise agreements, franchise origination costs, developed technology, and non-compete agreements. Intangible assets with an indefinite useful life are not amortized.

The Company reviews certain identifiable definite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company believes no impairment existed as of December 27, 2014 and December 28, 2013.

The Company reviews goodwill and indefinite lived intangible assets for impairment annually as of the last day of its fiscal year. Furthermore, goodwill and indefinite lived intangible assets are required to be tested for impairment on an interim basis if an event or circumstance indicates that it is more-likely-than-not an impairment loss has been incurred. The Company's goodwill impairment test involves a two-step process. In the first step, the Company compares the fair value of the Company to its carrying value. If the fair value of the Company exceeds its carrying value, goodwill is not impaired and no further testing is required. If the fair value of the Company is less than the carrying value, the Company must perform the second step of the impairment test to measure the amount of impairment loss, if any. In the second step, the Company's fair value is allocated to all of the assets and liabilities of the Company, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the Company was being acquired in a business combination. If the implied fair value of the Company's goodwill is less than the carrying value, the difference is recorded as an impairment loss. Impairment losses are recognized in operations. The Company's valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and projections of future operating performance. If these assumptions differ materially from future results, the Company may record impairment charges in the future. Based on its most recent analysis, no impairment existed as of December 27, 2014 or December 28, 2013.

Debt Issuance Costs

Costs related to issuance of debt are capitalized and amortized to interest expense over the life of the related debt. These fees are amortized using the effective interest method over the term of each credit agreement. Total debt issuance costs capitalized by the Company at the Harvest Acquisition were approximately \$8,121 related to the Senior Credit Agreement and Senior Subordinated Agreement (Note 7). The Company paid an additional \$440 during the fiscal year ended December 29, 2012 in conjunction with a debt agreement amendment. During 2014, the Company incurred \$1,357 of additional debt issuance costs associated with a refinancing to fund certain acquisitions while writing-off \$937 associated with the senior subordinated debt retired as part of the refinancing. Total debt issuance costs capitalized were \$8,429 and \$8,561, net of accumulated amortization of \$4,526 and \$3,307 as of December 27, 2014 and December 28, 2013, respectively.

Estimated amortization expense for the next five years is summarized as follows:

	Amount
	\$
2015	1,745
2016	1,729
2017	429
	<u>3,903</u>

Equity-based Compensation

The Company recognizes expense related to the fair value of equity-based compensation awards over the service period (generally the vesting period) in the consolidated financial statements. The Company recognizes compensation expense based on the estimated fair value on the grant-date.

Fair Value of Financial Instruments

The authoritative guidance requires disclosure of a fair value hierarchy of inputs that the Company uses to value an asset or a liability. Under the authoritative guidance there is a common definition of fair value to be used and a hierarchy for fair value measurements based on the type of inputs that are used to value the assets or liabilities at fair value.

The levels of the fair-value hierarchy are described as follows:

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date,
- Level 2:** Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3:** Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Company has estimated the fair values of financial instruments using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value for non-traded financial instruments. Accordingly, such estimates are not necessarily indicative of the amounts that the Company would realize in a current market exchange. The carrying amount for cash and cash equivalents, accounts receivable, inventory, other current assets, accounts payable and accrued expenses approximate fair value because of their short maturities. The notes receivable carrying value also approximates fair value due to interest rates that approximate market rates. The Company's debt instruments' carrying value are deemed to approximate fair value as of December 27, 2014. The instruments have variable and fixed interest rates and are reflective of current market rates.

Income Taxes

The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effects on deferred tax assets and liabilities of subsequent changes in the tax laws and rates are recognized in income during the year the changes are enacted.

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company follows applicable authoritative guidance with respect to the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The Company records any interest and penalties associated as additional income tax expense in the consolidated statements of operations. Based on management analysis, the Company does not believe any unrecognized tax benefits significantly changed during Fiscal 2014. Furthermore, the Company does not believe any remaining unrecognized tax benefits will significantly change in the next fiscal year. As of December 27, 2014, the Company's open tax years include fiscal years 2006-2014.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company is subject to management's estimates and assumptions, the most significant of which include the allowance for doubtful accounts, insurance reserves and certain intangible assets. Actual results could differ from those estimates and such differences could be material.

Insurance Reserves

The Company is partially self-insured for employee medical coverage. The Company records a liability for the ultimate settlement of claims incurred as of the balance sheet date based upon estimates provided by the third-party that administers the claims on the Company's behalf. The Company also reviews historical payment trends and knowledge of specific claims in determining the reasonableness of the reserve. Adjustments to the reserve are made when the facts and circumstances of the underlying claims change. If the actual settlements of the medical claims are greater than the estimated amount, additional expense will be recognized.

Concentration of Credit Risk

Financial instruments which subject the Company to concentrations of credit risks consist principally of cash balances, accounts receivable and notes receivable.

Foreign Currency Translation

The Company's revenues, other than those of its Canadian subsidiaries, are denominated in U.S. dollars. For the Company's Canadian subsidiaries, assets and liabilities are translated at exchange rates prevailing on the balance sheet date, and income and expense accounts are translated at average exchange rates for the respective periods. Currency translation adjustments are included in accumulated other comprehensive income.

Advertising

Advertising costs of the Company are expensed as incurred or the first time an advertisement takes place depending on the nature of the advertising expense. Advertising costs totaled \$877 and \$1,135 during Fiscal 2014 and Fiscal 2013, respectively, and are included in selling, general and administrative expenses on the accompanying consolidated statements of operations.

The franchisees of some of the Concepts are required to contribute advertising dollars according to the terms of their respective contract (either a percentage of sales or a defined periodic fixed amount) that are used for advertising the brand on a national and local basis. Merlin's, Pro Oil and Econo franchisees make their advertising contributions directly to the franchisor, which in turn administers and distributes the advertising contributions. Meineke franchisees make their contributions to either the U.S. or Canadian Meineke Advertising Fund (the MAFs). The U.S. fund for Meineke is a revocable trust administered by a third-party trustee, while the Canadian fund for Meineke is administered directly by the franchisor. Maaco franchisees make their contributions to the Maaco Advertising Fund which in turn administers and distributes their advertising contributions directly to the franchisor.

Collections and disbursements related to these advertising collections and expenditures are not included in the Company's accompanying consolidated statements of operations because the contributions to these advertising funds are designated for specific purposes. The advertising related assets and liabilities held by the MAFs and amounts related to the advertising payments of Maaco, Merlin's, Pro Oil and Econo are considered restricted and disclosed on the Company's accompanying consolidated balance sheets.

In conjunction with their administration and placement of the advertising funds, the Company receives either an administrative fee, commission or reimbursement of certain expenses directly associated with its services in accordance with the respective franchise agreement. These amounts are included in the Company's accompanying consolidated statements of operations as other income.

Business Combinations and Divestitures

The Company acquires certain centers under its key brands along with having to assume certain obligations as part of various acquisitions. These acquisitions are accounted for as business combinations using the acquisition method, whereby the purchase price (including assumed liabilities) is allocated to the assets acquired based on their estimated fair market values at the date of the acquisition. The Company also will refranchise certain of these acquired centers at or shortly after the acquisition date to existing or new franchisees as part of the Company's growth strategy. The proceeds received from the sales of these acquired centers are netted against the purchase price and those amounts are recorded in franchise agreements intangibles and amortized over the remaining estimated franchise agreements from the acquired centers.

The revenues and expenses for the centers acquired are included in our consolidated financial statements beginning on each of their respective acquisition dates. Upon the sale and refranchise of the centers, royalty revenues are included in our consolidated financial statements from the date of refranchising.

2 Accounts and Notes Receivable

Accounts and notes receivable balances consisted of the following:

	December 27, 2014	December 28, 2013
	\$	\$
Accounts receivable:		
Trade	33,285	28,145
Notes receivable	11,747	7,007
Total accounts and notes receivables	45,032	35,152
Less - Allowance for doubtful accounts	(14,451)	(10,786)
Current portion	(24,976)	(20,076)
Notes receivables, long-term	5,605	4,290

The Company recognized interest income from notes receivable of \$286 and \$317 during Fiscal 2014 and Fiscal 2013, respectively.

3 Business Combinations and Divestitures

During Fiscal 2014, the Company acquired certain assets and assumed certain liabilities of 27 automotive repair and maintenance and auto body repair and paint operators for approximately \$6,983. The acquisition costs were initially allocated at estimated fair market value to significant categories related to working capital items, furniture and fixtures, shop equipment, intangible assets and deferred income taxes. As of December 27, 2014 the Company had sold 19 of the acquired centers with the remaining centers expected to be sold during the second quarter of Fiscal 2015. For those centers that were sold, the net acquisition costs of \$3,139 have been recorded as intangible assets and are being amortized over 15 years. In addition, the Company has recorded the unsold centers as "Assets Held for Sale" at a value of \$3,844, which represents the selling prices for those units. During Fiscal 2014, the Company sold the remaining 15 acquired centers that were unsold as of December 28, 2013. During Fiscal 2014, certain provisional amounts recognized at the acquisition dates were finalized and related adjustments were recorded which resulted in an adjustment to the net acquisition costs of \$181, which are being amortized over the life of the franchise agreement. Adjustments included changes in the carrying amounts of certain assets and liabilities by means of an adjustment to goodwill and franchise origination intangible.

On September 2, 2014, Pro Oil Canada Partnership, LP (wholly owned subsidiary of Driven Brands, Inc.) purchased certain assets and assumed certain liabilities of Pro Oil Management and Affiliates for \$12,869 (Pro Oil Acquisition). The Pro Oil Acquisition resulted in the Company acquiring 35 system-wide stores including 8 company-owned stores and 27 franchised stores.

The preliminary purchase price for the Pro Oil Acquisition has been allocated as follows:

	Amount
	\$
Identifiable assets acquired:	
Notes receivable	23
Inventory	182
Property and equipment	1,117
Other assets	48
Trade name	2,850
Franchise agreements	2,150
Covenant not-to-compete	290
Total identifiable assets	6,660
Goodwill	6,209
Total assets acquired	12,869
Purchase consideration	12,869

On February 18, 2014, SBA-TLC, LLC (wholly owned subsidiary of Driven Brands, Inc.) purchased certain assets and liabilities of Merlin Corporation (Merlin) for \$5,922 (Merlins Acquisition). The Merlins Acquisition resulted in the Company acquiring 48 automotive repair and maintenance center franchise locations operating under this brand name.

The preliminary purchase price for the Merlins Acquisition has been allocated as follows:

	Amount
	\$
Identifiable assets acquired:	
Accounts receivable	271
Trade name	2,150
Franchise agreements	2,700
Covenant not-to-compete	80
Total identifiable assets	5,201
Goodwill	1,117
Total assets acquired	6,318
Liabilities assumed:	
Marketing fund liability	396
Total liabilities assumed	396
Purchase consideration	5,922

On September 27, 2013, the Company acquired Maaco Canada Systems for \$4,552, which included the repayment of \$260 in long-term debt at closing as part of a stock purchase transaction (the Maaco Canada Acquisition). The Maaco Canada Acquisition resulted in the Company acquiring 27 franchise agreements for existing Maaco Canada auto body repair and paint centers. During Fiscal 2014, certain provisional amounts recognized at the acquisition date were finalized and related adjustments were recorded which resulted in an adjustment to the net acquisition costs of \$310. Adjustments included changes in the carrying amounts of certain assets and liabilities by means of an adjustment to goodwill and franchise agreements intangible.

The purchase price for the Maaco Canada Acquisition has been allocated as follows:

	Amount
	\$
Identifiable assets acquired:	
Accounts receivable, net of allowance	125
Other current assets	26
Income tax receivable	30
Property and equipment	142
Franchise agreements	5,127
Total identifiable assets	5,450
Goodwill	1,394
Total assets acquired	6,844
Liabilities assumed:	
Accounts payable	599
Deferred franchise revenue, net	39
Deferred income tax liability	1,394
Long-term debt	260
Total liabilities assumed	2,292
Purchase consideration	4,552

The Fiscal 2013 refranchising transactions and acquisitions were funded with cash from operations while the Fiscal 2014 refranchising transactions and acquisitions were funded with both cash from operations as well as borrowings from the Company's credit facility. Goodwill is expected to be deductible for tax purposes.

Divestitures

On March 13, 2013, the Company divested its on-line training and development business, Tortal.net, for cash, a note receivable and a credit for future services. The Company did not retain any assets or liabilities associated with this business. Net sales and net operating loss during Fiscal 2013 prior to the sale for Tortal.net was \$144 and \$50, respectively. Total consideration received for this transaction was \$1,390 and the Company recognized a gain on sale of approximately \$691 in Fiscal 2013. During 2014, the Company finalized certain post acquisition matters and recorded a loss on sale of \$318. As a result of finalizing these items the parties agreed to \$705 for future training services while the note was eliminated.

4 Property and Equipment

Property and equipment is summarized as follows:

	December 27, 2014	December 28, 2013
	\$	\$
Furniture and fixtures	1,209	1,089
Computer equipment and software	2,343	1,086
Shop equipment	230	551
Leasehold improvements	607	643
Vehicles	557	477
Buildings	1,054	-
Total gross	6,000	3,846
Less - Accumulated depreciation	(2,084)	(1,428)
Total net	3,916	2,418

Depreciation expense was approximately \$753 and \$830 during Fiscal 2014 and Fiscal 2013, respectively.

5 Assets Held for Sale

At various times the Company acquires certain centers and classifies these assets as held for sale while identifying a buyer for the locations. At December 27, 2014 and December 28, 2013, \$3,975 and \$2,121, respectively of the assets acquired remained held for sale. These held for sale assets are being actively marketed and management believes that their carrying value approximate fair market value. No depreciation has been recorded on these assets since they were initially classified as held for sale. Any difference between the book value and sales price determined when these assets are sold are expected to be recorded as intangible assets and will be amortized over the estimated useful life of the affiliated franchise agreements.

The following table shows the fair value of the Company's non-financial assets and liabilities that are required to be measured at fair value on a non-recurring basis as of December 27, 2014 and December 28, 2013:

	As of December 27, 2014	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Unobservable Inputs Level 3
Assets at Fair Value				
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment and intangibles ⁽¹⁾	3,975	-	3,975	-

	As of December 28, 2013	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Unobservable Inputs Level 3
Assets at Fair Value				
	\$	\$	\$	\$
Long-lived assets held for sale:				
Equipment and intangibles ⁽¹⁾	2,121	-	2,121	-

- ⁽¹⁾ Long-lived assets held for sale reflect the lower of cost or the current sales price at which equipment and intangibles are currently being marketed, less costs to sell.

6 Goodwill and Intangible Assets

Intangible assets as of December 27, 2014 and December 28, 2013, consist of the following:

December 27, 2014	Gross Value	Accumulated Amortization	Net Value	Useful Life (Years)
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,423	(541)	882	8 years
Non-compete agreements	1,013	(724)	289	2-3 years
Franchise agreements	143,820	(18,596)	125,224	6-30 years
Sublease to market asset	10,089	(3,535)	6,554	2-22 years
Intangible assets not subject to amortization:				
Trademarks	207,570	-	207,570	
Goodwill	72,309	-	72,309	
Total intangible assets	436,224	(23,396)	412,828	

December 28, 2013	Gross Value	Accumulated Amortization	Net Value	Useful Life (Years)
	\$	\$	\$	
Intangible assets subject to amortization:				
Developed technology	1,423	(365)	1,058	8 years
Non-compete agreements	660	(491)	169	2-3 years
Franchise agreements	136,724	(11,685)	125,039	6-30 years
Sublease to market asset	10,089	(2,263)	7,826	2-22 years
Intangible assets not subject to amortization:				
Trademarks	202,740	-	202,740	
Goodwill	64,901	-	64,901	
Total intangible assets	416,537	(14,804)	401,733	

Intangible assets with definite lives are being amortized on a straight-line basis over the estimated useful life of each asset. Amortization expense was approximately \$7,320 and \$6,340 during Fiscal 2014 and Fiscal 2013, respectively and there was no impairment loss on indefinite lived intangible assets or goodwill.

The Company recognized a \$9,060 favorable sublease to market asset at the Harvest Acquisition on December 17, 2011 and recognized an additional \$1,029 favorable sublease to market asset as part of the acquisitions in 2013. The value of the lease related intangibles is based on a comparison of lease terms to available current market data for similar leases. These sublease to market assets are being amortized on the declining balance in accordance with the present value of their future cash flows. Amortization expense for Fiscal 2014 and Fiscal 2013 was \$1,272 and \$1,124, respectively.

Amortization expense related to intangible assets for the next five fiscal years and thereafter is as follows:

	Amount
	\$
2015	8,346
2016	8,108
2017	7,917
2018	7,753
2019	7,448
Thereafter	93,376
	132,948

7 Long-term Debt

The Company's debt obligations consist of the following:

	December 27, 2014	December 28, 2013
	\$	\$
Term Loan	203,463	159,113
Revolving Credit Facility	29,686	2,000
Senior Subordinated Credit Agreement	-	65,000
Installment Note Agreement	1,325	-
	234,474	226,113
Less - Current maturities	(2,933)	(1,700)
	231,541	224,413

Senior Credit Agreement

On December 16, 2011, the Company entered into a term loan agreement (the "Term Loan") and revolving credit facility (the "Revolving Facility") (together, the "Senior Credit Agreement") with several financial institutions to finance the acquisition of the Company and to provide ongoing working capital to the Company. Effective November 6, 2012, the Senior Credit Agreement was amended to modify various terms, including the interest rate, maturity date and quarterly principal payments.

On January 3, 2014, the Company entered into its Fourth Amendment to the Senior Credit Agreement (the "Fourth Amendment" or "2014 Debt Refinancing"). The key components in the Fourth Amendment related to (i) increasing the amount of the Term Loan to \$215,888; (ii) increasing capacity of the Revolving Facility to \$45,000; (iii) reducing the applicable interest rates on the Term Loan and the Revolving Facility to LIBOR plus 5.00% and LIBOR plus 3.50%, respectively; (iv) reducing the LIBOR floor to 1.00%; (v) increasing the quarterly principal payment on the Term Loan to \$513 till maturity and (vi) modifying certain baskets to reflect current business and market conditions. The Company used \$70,000 of proceeds to repay the entire \$65,000 outstanding under the Senior Subordinated Credit Agreement plus accrued interest and premium associated with the pre-payment provisions along with other fees and expenses associated with the 2014 Debt Refinancing. In September 2014, the Company entered into its Fifth Amendment to the Senior Credit Agreement increasing capacity of the Revolving Facility to \$60,000 to complete the Pro Oil acquisition. The Senior Credit Agreement is collateralized by substantially all assets of the Company.

Term Loan

As of December 27, 2014, the amended Term Loan in the principal amount of \$203,463 is to be repaid through quarterly payments of principal of approximately \$513, with the remaining outstanding balance due upon maturity on March 15, 2017.

Interest is due monthly and the Company has the option for the interest rate to be based on Base Rate plus an applicable margin or the London Interbank Offering Rate (LIBOR) plus an applicable margin (the LIBOR rate). As of December 27, 2014, the Base Rate was the greater of the market prime rate or 2.25%, plus an applicable margin of 4.0%. The LIBOR rate was the greater of the market LIBOR rate or 1.0% plus an applicable margin of 5.0%.

At December 27, 2014, the Company elected to maintain \$201,813 of this balance at LIBOR. Thirty-day LIBOR at December 27, 2014, was 0.17%; therefore, the interest rate on the \$201,813 balance is payable at 6% (1.0%, plus a margin of 5.0%). The Company elected a Base Rate loan for the additional \$1,650 of the outstanding balance at December 27, 2014. The market prime rate at December 27, 2014 was 3.25%; therefore, the current interest rate on the \$1,650 balance is payable at 7.25% (3.25%, plus a margin of 4.0%).

Revolving Facility

As of December 27, 2014, the amended Revolving Facility agreement allowed the Company to borrow up to \$60,000, for which \$20 million is allowed to be borrowed in Canadian Dollars. The Revolving Facility and matures on March 15, 2017.

Each Revolving Loan bears interest on the outstanding principal amount borrowed from the date when made at a rate per annum equal to the LIBOR or the Base Rate, as the case may be, plus the applicable margin. The Base Rate is the greater of the market prime rate or 2.25%, plus an applicable margin of 2.50%. The LIBOR rate is the greater of the market LIBOR rate or 1.0% plus an applicable margin of 3.50%.

At December 27, 2014, total outstanding borrowings under the Revolving Facility were \$29,686, for which \$13,000 was denominated in Canadian Dollars. The total available and unused borrowings were \$30,314, for which \$7,000 was available and unused in Canadian Dollars.

Senior Subordinated Credit Agreement

On December 16, 2011, the Company entered into a Senior Subordinated Credit Agreement (the Senior Subordinated Credit Agreement) to provide financing for certain transactions and provide ongoing working capital of the Company. The Senior Subordinated Credit Agreement in the original principal amount of \$65,000 was to be repaid June 16, 2017. This loan is subordinated to the Senior Credit Facility.

Interest on the Senior Subordinated Notes was payable, at the election of the Company (1) entirely in cash or (2) a portion in cash and a portion by increasing the principal amount of the outstanding notes (PIK interest). For interest payments on the Senior Subordinated Credit Agreement that the Company elected to pay entirely as cash interest, the cash interest accrued at a rate equal to 12% per annum. For interest payments on the Senior Subordinated Credit Agreement that the Company elected to pay as a combination of cash interest and PIK interest, cash interest accrued at a rate equal to 10% per annum and PIK interest accrued at a rate equal to 2% per annum. For the period from December 29, 2013 through December 27, 2014, the Company elected to pay cash interest for all interest payments. On January 3, 2014, the Company repaid the entire outstanding balance associated with the Senior Subordinated Credit Agreement with the additional proceeds received under the 2014 Debt Refinancing.

Installment Note Agreement

On February 18, 2014, the Company entered into an Installment Note Agreement (the Installment Note) as part of the Merlins Acquisition. The Installment Note in the original principal amount of \$1,750 is to be repaid in consecutive semi-annual installments of principal and interest of \$239 with the remaining outstanding balance due upon maturity on December 17, 2017. Interest accrues at a rate equal to 4% per annum.

Loan Covenants

The agreements described above contain certain quantitative covenants related to fixed-charge coverage, total debt to earnings before interest, taxes, depreciation and amortization (EBITDA) and maximum capital expenditure limits. These loan agreements also contain various positive and negative operating and financial reporting covenants which are customary for such debt instruments. At December 27, 2014, the Company was in compliance with all covenants under the agreements discussed above.

8 Income Taxes

Deferred tax assets and liabilities are comprised of the following:

	December 27, 2014	December 28, 2013
	\$	\$
Deferred tax assets:		
Accrued liabilities	394	829
Accounts receivable	4,868	3,949
MAF fund balance	2,518	618
Net operating loss carryforwards	16,074	21,382
Deferred costs	-	144
Other deferred assets	859	819
Net deferred tax assets	24,713	27,741
Deferred tax liabilities:		
Goodwill and intangible assets	92,142	91,184
Lease market adjustment	871	844
Deferred revenue	758	678
Other deferred liabilities	84	140
	93,855	92,846
Net deferred tax liability	(69,142)	(65,105)

The balance sheet classification of deferred tax assets and liabilities is as follows:

	December 27, 2014	December 28, 2013
	\$	\$
Deferred income tax assets - Current	5,263	4,778
Deferred income tax liabilities - Current	(842)	(817)
Total current asset	4,421	3,961
Deferred income tax assets - Noncurrent	19,450	22,963
Deferred income tax liabilities - Noncurrent	(93,013)	(92,029)
Total non-current liability	(73,563)	(69,066)
	(69,142)	(65,105)

The provision for income taxes consists of the following:

	December 27, 2014	December 28, 2013
	\$	\$
Current		
Federal tax expense	283	-
Foreign tax expense	119	195
State tax expense	243	161
Deferred	4,037	3,352
Total tax expense	4,682	3,708

The Company's Fiscal 2014 effective tax rate differs from the federal statutory rate primarily due to certain permanent differences and state income taxes. The Company's Fiscal 2013 effective tax rate differs from the federal statutory rate primarily due to certain permanent differences, state income taxes, and the reduction of certain deferred tax assets due to a state and international tax restructuring.

During Fiscal 2014, the Company decreased its net operating loss carryforwards by \$5,300 due to current year taxable income. As of December 27, 2014, the Company had federal and state operating loss carry forwards of \$44,000 and \$13,500 for which portions of the state operating loss carryforwards begin to expire in the current year and federal operating loss carryforwards begin to expire in 2021. As of December 27, 2014, the Company had \$10,400 of goodwill that was deductible for tax purposes. The Company recognizes interest and penalties related to income taxes as a component of income tax expense.

9 Related-party Transactions

Under the Meineke Franchise and Trademark Agreement with franchisees, each franchisee and each company-owned shop is required to contribute weekly advertising funds to the applicable MAF. Meineke obtains various types of advertising on behalf of the MAF through various advertising agencies or service providers. The cost of this advertising is then billed to the MAF. Meineke receives a fee of 2.75% of MAF cash collections for administering the advertising and marketing programs funded by the MAF and for collecting fees on behalf of the MAF. During Fiscal 2014 and Fiscal 2013 this fee totaled \$990 and \$968, respectively. As of December 27, 2014 and December 28, 2013, Meineke had a payable of \$342 and a receivable of \$286, respectively, related to the MAF for such services and advertising placed.

The Company has an advisory services agreement with the Parent which provides that the Company pay an annual advisory services fee to the shareholder in the amount of \$1,000 and an additional fee based on earning growth since inception, plus certain out-of-pocket expenses incurred by the Parent. During Fiscal 2014 and Fiscal 2013 \$1,400 and \$1,118 was paid to Harvest Partners, respectively.

The Company's Senior Subordinated Credit Agreement was held by several shareholders of the Company. During Fiscal 2014 and Fiscal 2013, the Company incurred interest expense of \$2,015 and 7,778, respectively on the Senior Subordinated Credit Agreement. As of December 27, 2014 and December 28, 2013, \$0 and \$1,668 was accrued (Note 7).

10 Employee Benefit Plans

The Company has a 401(k) plan that covers eligible employees as defined by the plan agreement. The plan permits a deferral of up to 25% of gross wages, with a company match of 50% of the first 6%. The Company's contributions to the plan during Fiscal 2014 and Fiscal 2013 were approximately \$278 and \$185, respectively.

11 Equity Agreements and Incentive Equity Plan

In November 2011, the Parent entered into a limited liability company agreement (the "Agreement") as part of the establishment of the entity Driven Holdings, LLC, which was subsequently amended (the "Amended Agreement") on December 16, 2011 as part of the Harvest Acquisition. As part of the Harvest Acquisition, Driven Holdings, LLC acquired 100% ownership in the Company. The Amended Agreement, among other things, established the ownership of certain membership units in Driven Holdings, LLC and defines the distribution rights and allocations of profits and losses associated with those membership units. Additionally, the Amended Agreement calls for certain restrictions regarding transfers of units, corporate governance and Board of Director representation. Certain membership units were issued, granted, purchased, repurchased and sold to employees and directors during Fiscal 2014.

In December 2011, Driven Holdings, LLC established certain incentive equity units as part of the Amended Agreement (the "Equity Plan"). The Equity Plan provides for grants of certain incentive units to employees, directors or consultants of Driven Holdings, LLC. As of December 27, 2014, Driven Holdings, LLC has approximately 1,673,677 common units, and 220,380 catch-up units reserved for issuance under the Plan, with 74,448 reserved for each of the following types of units; Incentive Profits Interest -Performance Based A, Incentive Profits Interest -Time Based Catch Up A, Incentive Profits Interest -Performance Based B, and Incentive Profits Interest -Time Based Catch Up B, 71,905 reserved for Incentive Profits Interest -Time Based units, and 71,484 reserved for Incentive Profits Interest -Time Based Catch Up units.

The Company granted 150,975 Preferred Units (Special Priority Profits Interests) and 15,250 Common Units (Special Priority Profits Interests) during the period July 1, 2012 to December 29, 2012 to certain employees. These units vest based on future earnings targets for which no units vested as of December 27, 2014.

The Incentive Units Profits Interest -Time Based units become vested and exercisable in five installments of 20% each at December 31st of each year following the date of grant if the employee remains employed with the Company or any of its subsidiaries through each of the following vesting dates:

Vesting Date	Units Vested
December 31, 2014	20.0%
December 31, 2015	20.0%
December 31, 2016	20.0%
December 31, 2017	20.0%
December 31, 2018	20.0%

For the Incentive Profits Interest -Time Based units, upon the employee ceasing his or her employment with the Company and its Affiliates for any reason or no reason, all of executive's unvested Incentive Profits Interests – Time Based will be forfeited; provided; however, that if a sale of the business occurs within six months following a termination of employee's employment without cause, all of the employee's unvested Incentive Profits Interests – Time Based shall vest.

All other units vest upon the sale of the business subject to certain conditions specified in the Amended Agreement. An employee must be an employee of the Company at the date of sale of the business or terminated employment without cause within six months of any future acquisition.

A summary of the status of the Company's incentive unit plans is presented below:

	Common Units (Incentive Profits Interest-Time Based)	Common Units (Incentive Profits Interest-Performance Based A)	Common Units (Incentive Profits Interest-Performance Based B)	Common Units (Special Priority Profits Interests)
Outstanding, December 29, 2012	64,237	62,974	62,974	15,250
Granted	19,932	19,932	19,932	-
Exercised	-	-	-	-
Forfeited/Cancelled	(9,052)	(9,473)	(9,473)	-
Outstanding, December 28, 2013	75,117	73,433	73,433	15,250
Granted	9,570	9,570	9,570	-
Exercised	-	-	-	-
Forfeited/Cancelled	(12,782)	(12,782)	(12,782)	-
Outstanding, December 27, 2014	71,905	70,221	70,221	15,250

	Common Units (Incentive Profits Interest-Time Based Catch Up)	Common Units (Incentive Profits Interest-Time Based Catch Up A)	Common Units (Incentive Profits Interest-Time Based Catch Up B)	Preferred Units (Special Priority Profits Interests)
Outstanding, December 29, 2012	64,237	62,974	62,974	150,975
Granted	19,932	19,932	19,932	-
Exercised	-	-	-	-
Forfeited/Cancelled	(9,473)	(9,473)	(9,473)	-
Outstanding, December 28, 2013	74,696	73,433	73,433	150,975
Granted	9,570	9,570	9,570	-
Exercised	-	-	-	-
Forfeited/Cancelled	(12,782)	(12,782)	(12,782)	-
Outstanding, December 27, 2014	71,484	70,221	70,221	150,975

The Company recognized approximately \$430 in compensation expense for Fiscal 2014 and Fiscal 2013.

The fair value of all incentive units granted was estimated using a Black-Scholes option pricing model using the following assumptions:

	Incentive Units
Annual dividend yield	0%
Weighted-average expected life (years)	2.00
Risk-free interest rate	0.39%
Expected volatility	60.00%

12 Commitments and Contingencies

At December 27, 2014, the Company's subsidiaries had 178 non-cancelable operating lease agreements for the rental of office space, company-owned shops, office equipment and certain franchisee shops where the Company's subsidiaries entered into lease agreements with owners of real property in order to sublet the leased premises to its franchisees for purposes of operating Meineke, Maaco, Pro Oil and Econo shops. Future minimum rental commitments under these operating leases with remaining terms in excess of one year and related sublease rentals are approximately as follows:

	Operating Leases	Sublease Rentals
	\$	\$
2015	13,603	10,690
2016	12,160	8,597
2017	10,756	7,294
2018	7,813	5,196
2019	6,267	3,865
Thereafter	27,338	9,039
	77,937	44,681

Total rental expense for Fiscal 2014 and Fiscal 2013 was approximately \$13,916 and \$12,652. This amount was partially offset by approximately \$12,704 and \$10,950 of sublease rental income received during the same periods, respectively.

The Company's subsidiaries are parties to operating leases and subleases that contain escalating rentals. At December 27, 2014 and December 28, 2013, a deferred rent liability of \$544 and \$474 is recorded in accrued liabilities and other assets, respectively, in order to recognize the related rent expense and income on a straight-line basis over the lease term.

Legal actions incident to the ordinary course of business are pending against the Company or its subsidiaries. The Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company has entered into agreements whereby they are guaranteeing up to \$600 for certain payment performance obligations related to two pools, \$250 and \$350, of financing for franchisees. As of December 27, 2014 and December 28, 2013 the amounts totaled \$600 and \$175, respectively. During Fiscal 2014, the Company incurred and subsequently paid \$250 related specifically to the guarantee of the first pool of financing under these agreements.

13 Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 8, 2015, the date the financial statements were available to be issued. All subsequent events requiring recognition and disclosure have been incorporated into these financial statements.

UNAUDITED FINANCIAL STATEMENTS

Driven Brands, Inc. and Subsidiaries
Consolidated balance sheets
UNAUDITED

As of	March 26, 2016
	(000)
Assets	\$
Current assets:	
Cash and cash equivalents	21,656
Accounts and notes receivable, net of allowance	59,713
Inventory	8,046
Assets held for sale	324
Prepays and other assets	4,384
Deferred tax assets	1,108
Advertising fund assets, restricted	13,893
Total current assets	109,122
Accounts and notes receivable, net of allowance	5,092
Property and equipment, net	10,389
Debt issuance costs, net	10,329
Intangible assets, net	500,950
Goodwill	392,474
	1,028,356
Liabilities and shareholders' equity	\$
Current liabilities:	
Accounts payable	37,741
Accrued expenses	13,395
Accrued interest	174
Current portion of long-term debt	54,100
Income tax payable	2,182
Deferred franchise revenue, net	4,876
Line of credit	32,500
Deferred tax liabilities	-
Advertising fund liabilities	18,613
Total current liabilities	163,582
Long-term debt	404,465
Non-current liabilities	-
Deferred tax liabilities	109,563
Total liabilities	677,610
Shareholders' equity:	
Class A common stock (voting), \$.01 par value, authorized 60,000,000 shares; issued and outstanding 56,519,593 shares	565
Additional paid-in capital	348,204
Retained earnings / (deficit)	3,936
Accumulated other comprehensive income	(1,959)
Noncontrolling interest	-
Total shareholders' equity	350,746
	1,028,356

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Driven Brands, Inc. and Subsidiaries
Consolidated statements of operations and retained earnings
UNAUDITED

For the thirteen weeks ended

March 26, 2016

(000)

Revenue:

Initial license fee income	1,120
Franchise fee income	24,364
Company-owned shop sales	11,384
Supply income	14,112
Shop rental income	3,005
Advertising	1,586
Other income	8,092
	63,663

Costs and expenses:

Operating, selling and administrative expenses	31,675
Company-owned shop cost of sales	4,415
Cost of goods sold	10,335
Shop rental expenses	3,169
Depreciation and amortization	1,997
Total cost and expenses	51,591

Interest expense	4,727
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Loss on extinguishment of debt	-
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Profit/(Loss) before provision for income taxes	7,345
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Provision for income taxes - Income tax expense	2,458
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Net Income/(Loss)	4,887
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Less - Net income attributable to noncontrolling interest	-
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Net income attributable to Driven Brands, Inc.	4,887
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Beginning Retained Earnings/(Deficit)	(902)
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Net Income/(Loss)	4,887
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Ending Retained Earnings/(Deficit)	3,985
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THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

EXHIBIT B-1

LIST OF MAACO FRANCHISEES

Maaco Centers as of December 31, 2015

Alabama (6)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
AFG MBS, LLC	12693	615 Opelika Rd., Auburn, AL 36830	334/329-5108
VERF, L.L.C.	12005	450 Ross Clark Circle, Dothan, AL 36303	334/793-2576
KAICO ENTERPRISES, INC.	11675	1308 Central Parkway, Decatur, AL 35601	256/351-6353
Ingram Collision Center, Inc.	11373	2101 Miller Ferry Way SW, Huntsville, AL 35801	256/539-0156
William Pedrick	11874	1610 N. Eastern Blvd., Montgomery, AL 36117	334/244-9300
AFG MBS, LLC	12555	1021 Shelton Beach road, Saraland, AL 36571	251/679-7760

Arizona (10)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Glenn Kukac	12432	12555 NW Grand Avenue, El Mirage, AZ 85335	623/972-2260
Travis McQueary	12419	9 N. Roosevelt, Chandler, AZ 85226	480/753-3220
Mackks, Inc.	11376	7105 N. 51st Avenue, Glendale, AZ 85301	623/842-1005
Crete Enterprises of Mesa, LLC	11521	3113 East Main Street, Mesa, AZ 85213	480/924-9280
RYCAM AUTO, LLC	12291	2222 W. Deer Valley, Phoenix, AZ 85027	623/581-0933
DTSZ, Inc.	12022	541 6th Street, Prescott, AZ 86301	928/445-9191
Ahmed Masood	12165	1992 East University Drive, Tempe, AZ 85281	480/829-6875
Edward Sommer, L.L.C.	11870	3550 South Palo Verde Road, Tucson, AZ 85706	520/629-0909
Cruco Production Auto Painting, Inc.	11440	1693 West Grant Road, Tucson, AZ 85745	520/629-0788
Cruco Production Auto Painting, Inc.	12658	4102 E Grant Rd, Tucson, AZ 85712	520/495-5411

Arkansas (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
William Lytle	12104	6101 W. 65th Street, Little Rock, Arkansas 72209-3835	501/565-2222

California (61)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Peter Capdevielle	12558	3627 E. Miraloma Ave, ANAHEIM, CA 92806	714/577-9100
Jyla Corporation	12496	1610 West 10th Street, Suite A & B, ANTIOCH, CA 94509	925/755-2447
Muhammed Haq	12671	317 Ming Avenue, BAKERSFIELD, CA 93307	661/398-6150
JOEL & HEATHER ENTERPRISES, INC.	12066	36223 Plaza Drive, Cathedral City, CA 92234	760/202-1411
Garnett Station Capital Partners, LLC	12659	4200 Chino Hills Parkway, Chino Hills, CA 91709	909/393-9195
Ahmad Elsayed	12575	1812 Arnold Industrial Pl, Concord, CA 94520	925/689-0666
Dudziak Corporation	12544	1247 Pomona Rd, Corona, CA 92882	951/340-0500
Rycap Inc.	12592	2014 Harbor Blvd., Costa Mesa, CA 92627	949/645-4200
Garnett Station Capital Partners, LLC	12585	645 N. Grand Ave., Covina, CA 91723	626/915-7777
Garnett Station Capital Partners, LLC	12580	11205 Paramount Blvd., Downey, CA 90241	562/923-0884
DLC VENTURES, LLC	12302	1055 Horizon Drive, Fairfield, CA 94533	707/422-7200
DG AUTO BODY & PAINT, INC.	12248	44201 South Grimmer Blvd., Fremont, CA 94538	510/656-8600
MURPHY'S P. O. G., INC.	11431	6750 N. Blackstone Avenue, Fresno, CA 93710	559/439-0339
Garnett Station Capital Partners, LLC	12582	13612 Harbor Blvd., Garden Grove, CA 92843	714/534-6411
Garnett Station Capital Partners, LLC	12576	13900 S. Western Ave., Gardena, CA 90249	310/324-6646
Garnett Station Capital Partners, LLC	12586	13500 Crenshaw Blvd., Gardena, CA 90249	310/327-3810
Garnett Station Capital Partners, LLC	12581	4515 San Fernando Rd., Glendale, CA 91204	818/246-6556
AUTO MANAGEMENT, INC.	12142	1942 National Avenue, Hayward, CA 94545	510/785-8100

Garnett Station Capital Partners, LLC	12587	27592 Camino Capistrano, LAGUNA NIGUEL, CA 92677	949/582-1821
Peter Capdevielle	12423	23141 Orange Avenue, Lake Forest, CA 92630	949/855-4141
Garnett Station Capital Partners, LLC	12590	809 W. Ave. K., LANCASTER, CA 93534	661/945-7040
Garnett Station Capital Partners, LLC	12584	2035 Carson St., LONG BEACH, CA 90807	562/424-7195
R.K.R. ENTERPRISES	12147	1120 Kansas Avenue, Modesto, CA 95351	209/576-7722
5296, LLC	12091	24801 Sunnymead Boulevard, Moreno Valley, CA 92553	951/486-0065
Reza Hashemi	12593	1146 National City Blvd., NATIONAL CITY, CA 91950	619/474-3353
Jennkara, Inc.	12076	7215 Watt Avenue, North Highlands, CA 95660	916/334-5556
Reza Hashemi	12374	3215 Production Avenue, OCEANSIDE, CA 92054	760/757-8964
Garnett Station Capital Partners, LLC	12589	788 N. Batavia St., Orange, CA 92868	714/744-9191
Garnett Station Capital Partners, LLC	12588	1100 Commercial Ave., OXNARD, CA 93030	805/385-8848
Garnett Station Capital Partners, LLC	12579	793 W. Holt Ave., POMONA, CA 91768	909/623-9797
JENNKARA, INC.	11632	3095 Sunrise Blvd., Rancho Cordova, CA 95742	916/635-7776
Aria Julazadeh	12250	9017 Arrow Route, Rancho Cucamonga, CA 91730	909/980-9444
NORCAL AUTOMOTIVE LLC	12371	3045 Crossroads Drive, Redding, CA 96003	530/226-0992
B.O.N.D. International	12281	1041 Hensley Street, Richmond, CA 94801	510/232-2000
Dudziak Corporation	10900	5925 Payton Avenue, Riverside, CA 92504	951/354-6000
Tiffany Chang	12378	8700 Garvey Avenue, Rosemead, CA 91770	626/280-2703
THE IVIE GROUP, INC.	11392	801 Riverside Avenue, Roseville, CA 95678	916/782-6555
Nitin Patel	11441	1216 Arden Way, Sacramento, CA 95815	916/565-2760
SAMEERA ENTERPRISES, INC.	11848	2700 Florin Road, Sacramento, CA 95822	916/427-6555
AFFAN TOPUZOGU	12332	1364 Camino Real, SAN BERNARDINO, CA 92408	909/381-3240
AFFAN TOPUZOGU	12594	288 S. E Street, SAN BERNARDINO, CA 92401	909/888-0286
Remema, Inc.	11767	5670 Kearny Villa Road, San Diego, CA 92123	858/277-4250
ABMAC INDUSTRIES, INC.	11536	275 Tully Road, San Jose, CA 95111	408/279-5777
AH & G CORPORATION, INC.	12300	600 Stockton Avenue, San Jose, CA 95126	408/947-9451
P&J DUENAS, INCORPORATED	12196	250 San Leandro Blvd., San Leandro, CA 94577	510/562-3232
MHAL CORP.	12326	1039 West Main Street, Santa Maria, CA 93458	805/352-0095
JEFFERY & SONS, INC.	10913	112 Commercial Court, Santa Rosa, CA 95407	707/578-8485
Jeffery & Sons, Inc.	12732	2612 Santa Rosa Ave., Santa Rosa, CA 95407	707/595-1784
MEGNIN ENTERPRISES, INC.	12103	10981 Boatman Avenue, Stanton, CA 90680	714/821-5151
ALL BRITE AND NEW AUTO PAINTING, INC.	11614	2477 N. Wigwam Drive, Stockton, CA 95205	209/546-1777
J. L. JOSHUA, INC.	12107	1249 Birchwood Drive, Sunnyvale, CA 94089	408/739-3840
Garnett Station Capital Partners, LLC	12591	27561 Commerce Center Dr., TEMECULA, CA 92590	951/694-8500
CITTADINO ENTERPRISES, LLC	12062	924 West 223rd Street, Torrance, CA 90502	310/533-6023
Garnett Station Capital Partners, LLC	12577	21801 S. Western Ave., TORRANCE, CA 90501	310/328-8900
VINCENT MCALLISTER	12179	777 Elmira Road, Vacaville, CA 95687	707/451-6140
Garnett Station Capital Partners, LLC	12578	6859 Van Nuys Blvd., VAN NUYS, CA 91405	818/988-3790
Garnett Station Capital Partners, LLC	12583	7607 Van Nuys Blvd., VAN NUYS, CA 91405	818/988-5343
ARUN SHARMA	11231	1571 Goodyear Ave., Ventura, CA 93003	805/658-6691
Malik Group, Inc.	12319	1623 E. Main Street, Visalia, CA 93292	559/622-9300
Ahmad Elsayed	12679	1215 Parkside Drive, WALNUT CREEK, CA 94596	925/476-5586
Praveen Sharma	12489	12625 E. Whittier Blvd., WHITTIER, CA 90602	562/945-6400

Colorado (11)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Monika Coulson	12369	15608 E. 17th Street, AURORA, CO 80011	303/367-9199
Joseph Ambuul	10850	3216 Chelton Circle, Colorado Springs, CO 80909	719/471-9060
Joseph Ambuul	11207	392 East Garden Of The Gods Road, Colorado Springs, CO 80907	719/260-0285
JENCO INDUSTRIES, INC.	10707	4910 Oneida St, Commerce City, CO 80022	303/289-5838
CLAD Corporation	10216	6160 Federal Blvd., DENVER, CO 80221	303/423-6626
VARCO, INC.	11032	2424 E. Colfax Ave., Denver, CO 80206	303/377-8817
FGTS, INC.	11444	2926 North Avenue, Grand Junction, CO 81504	970/241-5922
INTEGRATED SERVICES CORPORATION,A/K/A ISC	11494	12500 W. Cedar Drive, Lakewood, CO 80228	303/988-9262
GREENLEY ENTERPRISES CORPORATION	11008	8085 Blakeland Drive, Littleton, CO 80125	303/791-1255
AI HOLDING, LLC	12180	1901 Leroy Drive, Northglenn, CO 80233	720/872-9480
Matthew McIrvin	12520	311 Lamkin Street, PUEBLO, CO 81003	719/544-1358

Connecticut (3)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Anthony Dandonoli	12225	991 Dixwell Avenue, Hamden, CT 6514	203/787-6550
BAM Auto, LLC	12232	550 N. Main Street, Manchester, CT 6045	860/647-9928
DREAM AUTO COLORS, INC	10223	31 Nutmeg Valley Rd, Wolcott, CT 6716	203/879-2596

Delaware (3)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
KNS09, Inc.	12309	1062 Lafferty Lanve, Dover, DE 19901	302/678-0271
Jewell Enterprises, INC.	10904	729 Dawson Drive, Newark, DE 19713	302/737-8460
Frank Costello	10001	2400 Gov Printz Blvd, Wilmington, DE 19802	302/762-5777

District of Columbia (0)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
N/A	N/A	N/A	N/A

Florida (39)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
LCH Group, LLC	12349	2903 9th Street West, BRADENTON, FL 34205	941/254-4971
L.C.H. Group, LLC	12367	12810 49th Street N, Clearwater, FL 33762	727/573-7636
VIERA AUTO PAINTING & COLLISION, INC.	12186	317 Clearlake Road, Cocoa, FL 32922	321/631-9195
MPK3 AUTO PAINTING & COLLISION, INC.	12020	907 S. Highway 17-92, Debary, FL 32713	386/774-6200
PGH INTERNATIONAL, LLC	12134	1825 S. Powerline Road, Deerfield Beach, FL 33442	954/429-0308
DARE TO DREAM AUTO, INC.	11965	245 North Congress Avenue, Delray Beach, FL 33445	561/276-4545
MJW Investments, LLC	12557	19 Racetrack Road NE, FORT WALTON BEACH, FL 32547	850/864-5456
Global Finance & Insurance Solutions LLC	12317	4118 Fowler Street, Ft. Myers, FL 33901	239/939-2155
JAKS PAINT SHOP, LLC	12246	3222 North Main Street, Gainesville, FL 32609	352/371-4251
TAIRO VELLOJIN	12299	10115 North West 79th Avenue, Hialeah Gardens, FL 33016	305/825-3313
LOMMEN ENTERPRISES, INC.	11235	395-A Flomich Street, Holly Hill, FL 32117	386/677-5650
D.W. KLEE, INC.	12170	2120 Wiley Street, Hollywood, FL 33020	954/921-5886
T.J.P. ENTERPRISES, INC.	10199	9133 Berry Avenue, Jacksonville, FL 32211	904/721-1617
William McCollim	10643	5338 San Juan Ave, JACKSONVILLE, FL 32210	904/387-1664
Liberato, LLC	12669	4041 Land O Lakes Blvd., LAND O LAKES, FL 34639	813/929-9209
Dare to Dream	12550	4907 N. University Dr, Lauderhill, FL 33351	954/306-2700
ALADDIN OF SEMINOLE COUNTY, INC.	10951	505 N Highway 17-92, Longwood, FL 32750	407/699-5920
Jose Planas	12001	12250 S. W. 117 Court, Miami, FL 33186	305/233-1774
Antonio Neri	12641	13730 NW 6th Ct., Miami, FL 33168	786/580-5925
Duke W Enterprises, Inc.	12292	4401 U.S. Highway 19, New Port Richey, FL 34652	727/847-9986
SCOTT EBERT ENTERPRISES, INC.	11193	2100 South West Pine Avenue, OCALA, FL 34471	352/867-7373
William Zando	11738	310 Blanding Blvd., Orange Park, FL 32073	904/272-4703
Value Auto Painting and Body Works, Inc.	11845	917 Mercy Drive, Orlando, FL 32808	407/297-8551
Peachy Production, LLC	12347	11219 S. Orange Blossom Trail, Orlando, FL 32837	407/850-4111
Peachy Developments, LLC	12533	6601 Old Cheney Highway, Orlando, FL 32807	407/630-6593
S.M.S. AUTO PAINTING, INC.	10186	189 W. Burgess Road, Pensacola, FL 32503	850/477-0317
Riviera Beach Star Hands (Auto Body Shop), LLC	12656	7200 N. Military Trail, Riviera Beach, FL 33410	561/429-8073
Vigo Group, LLC	12511	3984 Tyrone Blvd N, SAINT PETERSBURG, FL 33709	727/344-8762
WARDCO OF SARASOTA, INC.	12303	1570 N. Washington Avenue, Sarasota, FL 34236	941/951-2505
RAVCO ENTERPRISES, INC.	11152	712 Harper Street, Stuart, FL 34994	772/283-5533

M.K.T., INC.	11558	4317 W. Pensacola Street, Tallahassee, FL 32304	850/575-7124
MOTOR CAR FINISHES, INC.	10842	5409 Anderson Road, Tampa, FL 33614	813/885-1319
IVAN MONTOYA	12214	9808 Palm River Road, Tampa, FL 33619	813/628-6868
Francisco Perez V.	12490	1721 E. Fowler Avenue, Tampa, FL 33612	813/972-3244
Wellington Star Hands (Auto Body Shop), LLC	12655	3132 Fortune Way, Suite D23-26, Wellington, FL 33414	561/328-6969
CHEWCO, INC.	11110	78 S. Irwin Avenue, West Melbourne, FL 32904	321/951-4081
CAMELOT INVESTMENTS INTERNATIONAL, INC.	12021	1934 Church Street, West Palm Beach, FL 33409	561/684-3980
FYVEX INTERNATIONAL CORP.	12181	2450 S. Military Trail, West Palm Beach, FL 33415	561/969-7500
STEVEN CHERTOCK	12551	1100 W. Oakland Park Ave., Wilton Manors, FL 33311	954/533-7931

Georgia (21)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
OAKBEND ENTERPRISES, INC.	12028	2375 West Broad Street, Athens, GA 30605	706/546-4664
AFG MBS, LLC	12609	1826 Metropolitan Parkway, ATLANTA, GA 30315	404/758-8588
Huntford, LLC	12380	1300-B 5th Avenue, COLUMBUS, GA 31901	706/571-9500
AUTORENU, INC.	12042	1960 Highway 138 NE, Conyers, GA 30013	770/761-9916
AVC-1, LLC	12127	6850-A Buford Highway, Doraville, GA 30340	770/441-0748
AFG MBS, LLC	12183	1560 Highway 85 North, Fayetteville, GA 30214	770/460-3390
EJA ENTERPRISES, INC.	12101	1200 Jesse Jewell Pky. SW, Gainesville, GA 30501	770/533-9594
AFG MBS, LLC	12379	8284 Tara Boulevard, JONESBORO, GA 30236	770/478-7335
Trevida Holdings, Inc.	12314	3173 N. Cobb Parkway, KENNESAW, GA 30152	770/966-0151
TJL MARKETING, INC.	11996	411 Pike Boulevard, Lawrenceville, GA 30046	770/963-8080
AFG MBS, LLC	12556	1124 Hwy 19 South, LEESBURG, GA 31763	229/639-1919
VUV, INC.	11972	5392 Floyd Road, Mableton, GA 30126	770/739-7300
AFG MBS, LLC	11137	3143 Canton Road, Marietta, GA 30066	770/424-1999
Anthony Locke	12390	1350 S. Marietta Parkway, MARIETTA, GA 30067	770/421-1631
VRB ENTERPRISES, INC.	12206	3759 Martinez Boulevard, Martinez, GA 30907	706/855-1187
ST. BRENDAN, INC.	11517	11265 Elkins Road, Roswell, GA 30076	770/442-8322
CSM ENTERPRISES, INC.	11518	2007 East Victory Drive, Savannah, GA 31404	912/354-3814
Jay Kempf	12406	3040 Highway 78, SNELLVILLE, GA 30078	770/972-9044
M & W ENTERPRISES OF GEORGIA, LLC	12275	3757 North Henry Blvd., Stockbridge, GA 30281	770/507-6630
CORNERSTONE MARKETING II, INC.	11811	2550 Mountain Industrial Blvd., Tucker, GA 30084	770/925-9130
AFG MBS, LLC	12553	12926 Highway 92, WOODSTOCK, GA 30188	678/540-6467

Hawaii (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Paint Cars Inc.	11909	98-746 Kuahao Place, Pearl City, Hawaii 96782-3125	808/488-2222

Idaho (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Feigard, INC.	12088	9309 Fairview Avenue, Boise, Idaho 83704-8225	208/376-4992

Illinois (16)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Albitouni Inc.	12494	11625 S. Ridgeland Ave., ALSIP, IL 60803	708/361-9300
Scheflo, Inc.	12688	413 E. Stewart Street, BLOOMINGTON, IL 61701	309/585-4114
Shri S.N. Das, INC.	12211	252 Commonwealth Drive, Carol Stream, IL 60188	630/752-9240
Pramukh Auto Services, INC.	11356	8383 S. South Chicago Avenue, Chicago, IL 60617	773/933-7373
A & P Auto Color, INC.	11657	6740 S. Western Avenue, Chicago, IL 60636	773/776-7374
Paul Oushana	12395	4722 W. Harrison Street, CHICAGO, IL 60644	773/287-8800
Jagdish Patel	12283	1909 Plainfield Road, Crest Hill, IL 60403-1939	815/744-0700

Jagdish Patel	12387	1716 E Oakton Street, DES PLAINES, IL 60018	847/390-0500
Jagdish Patel	12622	2170 S. Mannheim Rd, DES PLAINES, IL 60018	847/699-9490
Mathews Auto Painting & Bodyworks, INC.	11647	14739 S. Greenwood Ave., Dolton, IL 60419	708/849-5800
Detail Masters Auto Painting, INC.	11948	543 W. St. Louis Avenue, East Alton, IL 62024	618/258-1090
Vraj Auto Services, INC.	11993	255 W. Northwest Highway, Palatine, IL 60067	847/991-9970
Robert Pohl	10048	4748 N. Brandywine Drive, Peoria, IL 61614	309/685-4748
Engeman Franchising, Inc.	12230	4208 N. Illinois Street, Swansea, IL 62226	618/233-8060
Pritam Auto Color, INC.	11860	103 West Roosevelt, Villa Park, IL 60181	630/691-8855
Renew Enterprises Inc.	11205	1026 Milwaukee Ave., Wheeling, IL 60090	847/541-2290

Indiana (7)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
ANL, INC.	12207	144 Chambeau Road, Ft. Wayne, IN 46805	260/482-1000
American Trading Corporation	11155	5880 E. 71st Street, Indianapolis, IN 46220	317/842-3490
Sam Sayyah	11117	3115 Lafayette Road, Indianapolis, IN 46222	317/925-9900
Mohammed Sayyah	11615	511-B E. Werges Street, Indianapolis, IN 46227	317/791-8888
Amtraco Investment Corporation	12124	10501 East Washington Street, Indianapolis, IN 46229	317/899-3100
Bright Images, INC.	11888	501 N. Earl Street, Lafayette, IN 47904	765/448-4432
Patel Brothers Auto Services, INC.	11297	747 65th Street, Schererville, IN 46375	219/865-1441

Iowa (2)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Schmidt Enterprises, INC.	10117	1998 NW 92nd Court, Clive, Iowa 50325-5454	515/223-6037

Kansas (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
A.D.L.M.,LLC	11941	8787 Lenexa Drive, Overland Park, Kansas 66214-3236	913/888-0770

Kentucky (2)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
ELMCOR, Incorporated	11928	7474 Industrial Road, Florence, Kentucky 41042-2916	859/371-3331
Joseph Lile	10174	647 Kennedy Road, Lexington, Kentucky 40511-1820	859/233-4284

Louisiana (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
PAK Investments, INC.	11642	1243-5 Veterans Blvd., Kenner, Louisiana 70062-5223	504/468-1404
AFG MBS, LLC	12682	17014 Airline Hwy., PRAIRIEVILLE, LA 70769	225/313-6586

Maine (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Carnu, INC	10056	24 Morrill Street, Portland, Maine 04103-3420	207/878-9066

Maryland (19)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
ABSOLUTE AUTOMOTIVE, INC.	12118	640-646 S. Philadelphia Blvd., Aberdeen, MD 21001	410/273-7570
R & R BODY AND PAINT, INC.	11674	5600 York Road, Baltimore, MD 21212	410/433-4336
R. & E. BODY & PAINT, INC.	11252	4030 North Point Blvd., Baltimore, MD 21222	410/477-2800
Windrock Group, Inc.	11209	111 Westhampton Place, Capitol Heights, MD 20743	301/808-3400
CARRIAGE CRAFTERS, INC.	11281	9101 51st Place, College Park, MD 20740	301/345-7727

Zachary Kandrick	12560	4527 Metropolitan Court, FREDERICK, MD 21704	240/651-3842
ZADCO ENTERPRISES, INC.	12284	8184-8186 Beechcraft Avenue, Gaithersburg, MD 20879	301/355-7955
Zadco Enterprises, Inc.	12716	19717 N. Frederick Road, GERMANTOWN, MD 20876	240/702-0891
Annoco, Inc.	12328	140 S. Azar Avenue, GLEN BURNIE, MD 21060	410/766-5373
ZACKKAN, INC.	11887	1101 Conrad Court, Hagerstown, MD 21740	240/420-0090
Hooman Sabet	12295	7361 Assateague Drive, JESSUP, MD 20794	443/755-0690
FROST ENTERPRISES, INC	12123	8660 Cherry Lane, Suite 1-3, Laurel, MD 20707	301/490-3300
ANASTASIOS BOURNOUSOUZIS	12437	2200-2204 Greenspring Drive, LUTHERVILLE TIMONIUM, MD 21093	443/841-7292
KEEL'S AUTO BODY WORKS, LLC	12037	9339 Liberty Road, RANDALLSTOWN, MD 21133	410/701-8785
SHOKOUHI, LLC	12241	701 East Gude Drive, Rockville, MD 20850	301/340-1494
MDSI, INC.	11762	2115 West Zion Road, Salisbury, MD 21801	410/546-2662
K & K LLOYD, L.L.C.	11273	2730 Garfield Ave., Silver Spring, MD 20910	301/495-7314
Windrock Group, Inc.	12668	4520B St. Barnabas Road, Temple Hills, MD 20748	240/532-6491
DMM3 Unit 1 LLC	12652	5301 Southwest Crain Hwy., UPPER MARLBORO, MD 20772	240/510-3691

Massachusetts (11)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
ATTLEBORO AUTOPAINTING, INC.	11083	81 West Street, Attleboro, MA 2703	508/226-6557
Master Auto Body, Inc.	10861	1030 Morrissey Blvd., Boston, MA 2122	617/282-3400
RPCV Autobody LLC	11064	84 Westgate Drive, Brockton, MA 2301	508/586-2800
TYSON CORPORATION	10239	47 River St, Dedham, MA 2026	781/329-7789
ADEL DASMAH	11575	874 Edgell Road, Framingham, MA 1701	508/877-4858
S. Reinhardt, Inc.	12359	660 S. Union Street, LAWRENCE, MA 1843	978/688-5117
P & S, INC.	10773	154 Middlesex Street, N. Chelmsford, MA 1863	978/251-3000
RPCV Autobody, LLC	12054	49 Potomska Street, New Bedford, MA 2740	508/996-9922
Nicholas Akbarian	11682	58 Pulaski Street, Peabody, MA 1960	978/532-1420
KRISCO, INC.	10019	444 Somerville Ave., Somerville, MA 2143	617/666-4882
H & T ENTERPRISES	11269	78 Sylvan Street, W. Springfield, MA 1089	413/732-0086

Michigan (12)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Zweite Stufe Inc.	12167	G3345 S. Dort Highway, Burton, MI 48529	810/743-3400
TPMJ, Inc.	12310	32754 West Eight Mile Road, Farmington, MI 48336	248/442-8510
SEVI, INC.	10852	10669 Northend, Ferndale, MI 48220	248/541-3147
KURT, INC.	12316	32630 Ford Road, Suite B, Garden City, MI 48135	734/522-1111
LJJ, INC.	11685	2330 East High Street, Jackson, MI 49203	517/783-2838
ABBOTT PARK, INC.	11261	2919 S. Martin Luther King Blvd., Lansing, MI 48910	517/887-1702
Thornshack, LLC	12239	1250 Cesar E. Chavez Avenue, Pontiac, MI 48340	248/874-1700
Zweite Stufe, Inc.	12644	1970 S. Rochester Rd., ROCHESTER HILLS, MI 48307	810/743-3400
R.B. Collision Company, L.L.C.	10883	28460 Groesbeck Highway, ROSEVILLE, MI 48066	586/777-9400
Jeffrey Boensch	12375	2758 McCarty Road, SAGINAW, MI 48603	989/791-7500
PREMIER AUTOBODY REPAIR & PAINTING, INC.	12276	14080 23 Mile Road, Shelby Twsp., MI 48315	586/566-8200
KNS, INC.	11472	550 West Maple, Troy, MI 48084	248/362-2233

Minnesota (7)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
CL RIVERWOOD CORP.	11970	12220 Riverwood Drive, Burnsville, MN 55337	952/736-7991
MCCLURE AUTOMOTIVE, INC.	12342	148 Osborne Ave., Fridley, MN 55432	763/572-2222
REEVES AUTOMOTIVE, INC.	11262	3245 Country Drive, Little Canada, MN 55117	651/484-8421
KFE Enterprises, Inc.	12400	2005 East Lake, MINNEAPOLIS, MN 55407	612/721-6448
S.C.D. Automotive, Inc.	12345	8765 Jefferson Highway, OSSEO, MN 55369	763/425-4497
McClure Automotive, Inc.	12129	7004 Oxford Street, St. Louis Park, MN 55426	952/500-8900
SLED DOG MANAGEMENT, INC.	12081	81 E. Wentworth Avenue, West St. Paul, MN 55118	651/455-0003

Mississippi (2)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
MJW Investments, LLC	12610	15230 Creosote Road, GULFPORT, MS 39503	228/214-3200
T & J HOLDINGS, INC.	11764	1915 Lincoln Road, Hattiesburg, MS 39402	601/264-2000

Missouri (10)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
DEBESAI, INC.	12131	1401 South Florissant Road, Cool Valley, MO 63121	314/521-5104
COLABELLO ENTERPRISES, LLC	12308	6117 North Lindbergh, Hazelwood, MO 63042	314/895-6262
MJM AUTOMOTIVE, INC.	12176	2605 Hub Drive North, Independence, MO 64055	816/478-6511
JD AUTOMOTIVE, LLC	12113	238 West 73rd Terrace, Kansas City, MO 64114	816/333-7127
Thornshack, LLC	12513	307 Tennis Court, KANSAS CITY, MO 64116	816/474-5800
VINYARD AUTOMOTIVE FINISHES, INC.	11574	840 South Kirkwood Road, Kirkwood, MO 63122	314/821-4433
Don B. Kahan Trust	12516	505 NW Blue Parkway, LEES SUMMIT, MO 64063	816/333-5159
MCLAUGHLIN HOLDING GROUP, INC.	12082	1405 W. Chestnut Expressway, Springfield, MO 65802	417/831-4747
William Colabello	12678	1602 Country Club Plaza Dr., SAINT CHARLES, MO 63303	636/493-9975
CRISTAL AUTOWORKS, INC.	11497	3905 Reavis Barracks Road, St. Louis, MO 63125	314/544-5300

Montana (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Shilhanek, INC.	12069	2475 Enterprise Avenue, Billings, Montana 59102-7425	406/652-4022

Nebraska (2)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
RODIS, INC.	10192	2309 North 73rd St, Omaha, NE 68134	402/392-1527
Kennevan LLC	12433	4505 South 84th Street, OMAHA, NE 68127	402/331-5350

Nevada (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
William Lawton	11358	2245 Harvard Way, Reno, Nevada 89502-4059	775/825-5995

New Jersey (26)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
J & J Collision Experts, Inc.	12293	500 Rt. 73 South, BERLIN, NJ 8009	856/809-1144
NICRON, INC.	11947	201 Carriage Lane, Delran, NJ 8075	856/461-9400
TRIANGLE AUTO PAINTING, LLC	12150	17-H Edgeboro Road, East Brunswick, NJ 8816	732/390-9266
INDEPENDENCE GROUP ENTERPRISES, INC.	11746	77 Highway 35, Keyport, NJ 7735	732/203-9333
E & J Truck Body & Paint Limited Liability Company	12684	395 Clark Street, KEYPORT, NJ 7735	732/739-2886
Richard Trawinski	11236	1299 State Hwy #88, Lakewood, NJ 8701	732/905-2999
Frank Costello	11088	230 Gloucester Pike, Lawnside, NJ 8045	856/546-8484
GARWOOD AUTO BODY, INC.	12098	1000 E. Elizabeth Avenue, Linden, NJ 7036	908/486-0220
Maple Shade Auto Painting and Collision, LLC	11387	652 Buttonwood Avenue, Maple Shade, NJ 8052	856/667-4500
EFJ AUTO PAINTING OF MIDDLESEX, LLC	12212	224 Lincoln Blvd., Middlesex, NJ 8846	732/469-8222

ROBLU ENTERPRISES, INC.	12040	1101 Highway 33, Neptune, NJ 7753	732/774-5771
DGL RAFTOPOULOS, INC.	12323	1515 Livingston Avenue, North Brunswick, NJ 8902	732/249-1777
DANDE AUTO PAINTING, INC.	10779	46 Central Avenue, Orange, NJ 7050	973/678-3900
Holtham & Rechenburg	12204	50-54 East 31st Street, Route 20 South & 10th Avenue Circle, Paterson, New Jersey 07514-1411	973/278-6226
ERS ENTERPRISES, LLC	12027	1130 Convery Blvd., Perth Amboy, NJ 8861	732/324-2222
MOHAMMAD EHTESHAM	12637	1652 S. 2nd Street, PLAINFIELD, NJ 7063	732/520-2400
RELI OF ATLANTIC COUNTY	10277	101 Devins Lane, Pleasantville, NJ 8232	609/646-8125
RAMM AUTO, INC.	11640	295 Route 46, Rockaway, NJ 7866	973/625-2424
J & R AUTO PAINTING & RESTORATIONS, INC.	11488	123 Fifth Street, Saddle Brook, NJ 7663	201/843-3322
Frost Ventures Inc.	12674	1641 Rt 322, WEDESBORO, NJ 08085	856/214-3463
PEREZ-CASADO ENTERPRISES	12336	46 Gilbert Street South, Tinton Falls, NJ 7701	732/842-9202
J & R RAUF ENTERPRISES, INC.	10236	242 Dover Road, Toms River, NJ 8757	732/240-4626
PALMER & SONS, INC.	10097	1460 Prospect Street, Trenton, NJ 8638	609/883-8681
FAIRCHILD ENTERPRISES, INC.	11469	196 Fries Mill Road, Turnersville, NJ 8012	856/740-4915
Robert Bruno	12409	1035 Hudson Street, UNION, NJ 7083	908/687-7474
Rizwan Afzal	12649	92 N Main Street, WINDSOR, NJ 08561	609/371-0005

New Mexico (4)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
WAJ Enterprises, LLC	12141	4701 McLeod, Albuquerque, NM 87109	505/883-7414
William Cruce	12598	6147 Zuni Road SE, Albuquerque, NM 87108	505/255-2626
William Cruce	12599	2101 1st Street NW, Albuquerque, NM 87102	505/243-7461
JLV Ventures, Corp.	12324	1251 Veranda Rd. SE, Rio Rancho, NM 87124	505/891-2755

New York (11)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Michael Ryan	10977	491 Central Avenue, Albany, NY 12206	518/482-0876
Frank Holtham	11641	1768 East 49th Street, Brooklyn, NY 11234	718/676-5225
Bethpage Autobody, INC.	12189	4 Bethpage Road, Copiague, NY 11726	631/841-4721
Group Of Baichans, Inc.	11333	53-24 98th Street, CORONA, NY 11368	718/786-0966
K & P Auto Body Inc.	12046	63 Polk Avenue, Hempstead, NY 11550	516/565-0800
EE Franchise #1 LLC	12638	500 Hicksville Rd, MASSAPEQUA, NY 11758	516/799-0090
Bertalex Corporation	11344	801 South Fulton Avenue, Mt. Vernon, NY 10550	914/664-1444
Progressive Ventures, INC.	11634	2 Cannon Hill Drive, New Hampton, NY 10958	845/374-2113
Yechiel Vadai	11082	212-50 Jamaica Ave., Queens Village, NY 11428	718/776-2000
1741 Chrysler Corporation	11554	1741 Chrysler Avenue, Schenectady, NY 12303	518/372-4440
2550 Richmond Terrace Corp.	10815	2550 Richmond Terr., Staten Island, NY 10303	718/816-5151

North Carolina (16)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
RNJ HOLDINGS, INC.	12119	1659 Old Haywood Road, Asheville, NC 28806	828/253-1050
M & B AUTO PAINTING, INC.	11573	8230 Chapel Hill Road, Cary, NC 27513	919/460-6650
Tryon Shiny Cars, LLC	11619	5753 N.Tryon Street, Charlotte, NC 28213	704/596-5300
GREAT AMERICAN CAR RENTAL, INC.	11901	6315 South Blvd., Charlotte, NC 28217	704/553-7078
Charlotte Shiny Cars, LLC	12111	8945 Covedale Drive, Charlotte, NC 28270	704/845-1600
PHILLIP COLLINS	12417	1406 Christian Street, DURHAM, NC 27705	919/382-0660
RVJ, LLC	12006	2165 Skibo Road, Fayetteville, NC 28314	910/323-3141
PHILLIP COLLINS	12523	425 E. Long Ave., GASTONIA, NC 28054	704/864-0802
PHILLIP COLLINS	11652	135 Auto Park Drive, Graham, NC 27253	336/222-9618
COLLICO, INC.	11552	2200 N. Church Street, Greensboro, NC 27405	336/691-0046
PHILLIP COLLINS	12068	1964 15th Avenue PL. SE, Hickory, NC 28602	828/322-6171
SHINYCARS, INC.	12096	108 Westover Drive, High Point, NC 27265	336/889-8333
PHILLIP COLLINS	12524	512 E. Plaza Drive, MOORESVILLE, NC 28115	704/230-1724
North Raleigh Collision LLC	12178	5100 Atlantic Avenue, Raleigh, NC 27616	919/872-6380
PARKER & COMPANY	11969	110 Harley Road, WILMINGTON, NC 28405	910/798-0810

COASTAL, INC.			
PASSCO, INC.	11813	1650 Silas Creek Parkway, Winston-Salem, NC 27127	336/777-1366

Ohio (10)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
RNJ HOLDINGS, INC.	12119	1659 Old Haywood Road, Asheville, NC 28806	828/253-1050
M & B AUTO PAINTING, INC.	11573	8230 Chapel Hill Road, Cary, NC 27513	919/460-6650
ALJAX, INC.	11619	5753 N.Tryon Street, Charlotte, NC 28213	704/596-5300
GREAT AMERICAN CAR RENTAL, INC.	11901	6315 South Blvd., Charlotte, NC 28217	704/553-7078
Charlotte Shiny Cars, LLC	12111	8945 Covedale Drive, Charlotte, NC 28270	704/845-1600
PHILLIP COLLINS	12417	1406 Christian Street, DURHAM, NC 27705	919/382-0660
RVJ, LLC	12006	2165 Skibo Road, Fayetteville, NC 28314	910/323-3141
PHILLIP COLLINS	12523	425 E. Long Ave., GASTONIA, NC 28054	704/864-0802
PHILLIP COLLINS	11652	135 Auto Park Drive, Graham, NC 27253	336/222-9618
COLLICO, INC.	11552	2200 N. Church Street, Greensboro, NC 27405	336/691-0046

Oklahoma (3)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
GAN, INC.	11664	400 East I-240, Oklahoma City, OK 73149	405/632-8838
William Lytle	11666	8100 North Rockwell, Oklahoma City, OK 73132	405/722-7000
William Lytle	12043	9607 East 54th Street, Tulsa, Oklahoma 74145-8158	918/665-6122

Oregon (3)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Automotive Innovation, Inc.	12420	15679 SE 135th Avenue, Clackamas, OR 97015	503/656-2320
Winetrout, Inc.	10167	1465 Railroad Boulevard, Eugene, OR 97402	541/342-2128
Lewis And Teresa Woods	12334	2529 North Ross Avenue, Portland, OR 97227	503/281-3312

Pennsylvania (20)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
TAVAN, INC.	10684	502 Basin St, Allentown, PA 18103	610/791-4311
ALAN TROUTMAN	10112	2744 Easton Ave, Bethlehem, PA 18017	610/866-7115
John Terizzi	12522	25 W 4th Street, BRIDGEPORT, PA 19405	484/704-7529
PRDK, Inc.	12505	735 Carlisle Street, HANOVER, PA 17331	717/634-5145
BA-GIL, INC.	11026	601 South 17th Street, Harrisburg, PA 17104	717/232-4281
Akram Rihawi	12352	246 E. County Line Road, HATBORO, PA 19040	215/839-3844
Linda Hammersla	12416	1277 Manheim Pike, LANCASTER, PA 17601	717/299-5778
DCHCO, INC.	11656	7001 Bristol Pike, Levittown, PA 19057	215/945-7910
ALTHOM, INC.	10953	6498 Carlisle Pike, Mechanicsburg, PA 17050	717/766-8501
Airport Auto Care, Inc.	12329	1998 W. Harrisburg Pike, MIDDLETOWN, PA 17057	717/944-4020
Lloyd Smeltz	12325	2264 Monroeville Road, Monroeville, PA 15146	412/823-1634
DALY DICKSON ENTERPRISES, LLC	12203	412 Route 202, Montgomeryville, PA 18936	215/362-2406
Thomas Andrews	12507	1841 W. Lincoln Highway, Pennel, PA 19047	215/752-0100
DEMARCO'S COLLISION EXPERTS, INC.	12190	9909A Bustleton Avenue, Philadelphia, PA 19115	215/676-2727
Sueños Madrileños LLC	12606	5091 Umbria St - R, PHILADELPHIA, PA 19128	267/297-7034
Orlando Cedres	12194	7673 Frankford Avenue, Philadelphia, PA 19136	215/332-1000
ACPC, INC.	12097	6717 Essington Ave., Philadelphia, PA 19153	215/365-8300
Johnston Auto Body & Painting, Inc.	12676	59 Rochester Rd., PITTSBURGH, PA 15229	412/415-3645
AJR, INC.	11555	3645 Pottsville Pike, Reading, PA 19605	610/929-4417
Gil-Rich, Inc.	10047	158 Leader Heights Road, York, PA 17402	717/741-0855

Puerto Rico (2)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Mayorga & Perez, INC.	11588	Kilometer 16.6, State Road 2, Toa Baja, PR 949	787/251-4545
Mayorga & Perez	12512	Saint Just Carr #848 Km 1.8, Trujillo Alto, PR 976	787/257-3535

Rhode Island (2)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Automobile Restoration Unlimited, Inc.	10987	1452 Park Ave., Cranston, RI 2920	401/943-1100
Mocar, Inc.	10833	501 Main Street, Pawtucket, RI 2860	401/726-8210

South Carolina (11)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Currey, Inc.	12185	1433A Pearman Dairy Road, Anderson, SC 29625	864/224-8282
F & L Defilippo, Inc.	11991	1974 Sam Rittenberg Blvd., Charleston, SC 29407	843/763-0020
Phil Collins	12355	2465 Decker Blvd., COLUMBIA, SC 29206	803/736-0581
Mitchell Calhoun	11934	610 W. Lucas Street, Florence, SC 29501	843/667-1440
Lumo, INC.	11868	350 N. Pleasantburg Drive, Greenville, SC 29607	864/232-2811
Greer Auto Painting, LLC	12470	102 Executive Dr., GREER, SC 29651	864/655-5995
Momb, LLC	12083	1329 Highway 501, Myrtle Beach, SC 29577	843/839-9199
F&L De Filippo Of North Charleston, Inc.	12257	5786 Dorchester Road, North Charleston, SC 29418	843/767-8565
Anson Autobody & Paintworks, LLC	11799	1405 Cherry Road, Rock Hill, SC 29732	803/980-3440
Framtiden, Inc.	12138	210 South Daniel Morgan Avenue, Spartanburg, SC 29306	864/573-7111
Community Automotive Services Corp.	12399	103 Old Trolley Road, SUMMERVILLE, SC 29485	843/419-8800

Tennessee (7)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
JETA, L.L.C.	11372	5169 Hickory Hollow Pkwy., Antioch, TN 37013	615/731-8877
GLASACAM CO., LLC	10169	4005 Dodds Ave, Chattanooga, TN 37407	423/867-7134
JAMES ROLLINS	12087	907 Providence Blvd., Clarksville, TN 37042	931/906-9694
STEPHENS' AUTO BODY AND PAINT CENTER, INC.	12247	6130 Western Avenue, Knoxville, TN 37921	865/212-3299
Gary McGill	11662	5653 Mt. Moriah Road, Memphis, TN 38115	901/370-5999
PAINT PRO'S, L.L.C.	11902	1419 NW Broad Street, Murfreesboro, TN 37129	615/867-1222
PRO PAINTII, LLC	12026	1211 Foster Ave., Nashville, TN 37210	615/255-7471

Texas (34)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
J & J AUTOMOTIVE SERVICES, INC.	12139	4103 Lindbergh Drive, Addison, TX 75001	972/702-8877
Cipercen LLC	12140	3308 E. Pioneer Parkway, Arlington, TX 76010	817/385-3900
Cipercen, LLC	12687	5980 Poly Webb Road, ARLINGTON, TX 76016	817/483-6700
Cipercen, LLC	12680	820 SW Green Oaks, ARLINGTON, TX 76017	682/706-3232
STEVEN LAMBERT	11806	10200 N. Lamar Blvd., Austin, TX 78753	512/821-2700
KSP Holdings, LLC	12429	3200 Decker Drive, BAYTOWN, TX 77520	281/422-2100
KELLEY'S UNLIMITED II, INC.	11744	2814 South Padre Island Drive, Corpus Christi, TX 78415	361/854-4671
APAI, LLC	12078	2115 Sadau Court, Denton, TX 76205	940/565-9505
M & C AUTO BODY CO.	12089	7229 S. Hulen Street, Fort Worth, TX 76133	817/263-6398
AC & SS, LLC	12220	1025 N. Main Street, FORT WORTH, TX 76164	817/740-2217
KRISHNA ENTERPRISES, INC.	11385	917 East Walnut Street, Garland, TX 75040	972/272-7535
Cipercen, LLC	12686	5615 Broadway Blvd., GARLAND, TX 75043	972/303-2918
SUN-KL, INC.	12318	3560 Old Spanish Trail, Houston, TX 77021	713/741-7444

R. H. WILLIAMS ENTERPRISES, INC.	I1050	5016 Airline Drive, Houston, TX 77022	713/699-3821
BUMPER JIM ENTERPRISES, INC.	I2092	1808 Jacquelyn, Houston, TX 77055	713/680-2277
TAYLOR AUTO PAINTING AND COLLISION NORTH, LLC	I2306	9350 FM 1960 West, Houston, TX 77070	281/890-2222
Willson Automotive Enterprises, Inc.	I2171	13501 Westheimer Street, Houston, TX 77077	281/493-4510
Robin Eager	I1428	5625 Bellaire Blvd., Houston, TX 77081	713/667-5464
Javed Hashim	I2440	3423 1/2 FM 1960 Road West, HUMBLE, TX 77338	281/821-1771
SSRS Investments, Inc.	I2059	2434 North Story Road, Irving, TX 75062	972/594-8301
SMB Auto Group LLC	I2346	510 South Mason Road, KATY, TX 77450	832/437-4665
KIM'S & JIM'S REPAIR, INC.	I2256	1002 N. Twin Creek, Killeen, TX 76543	254/526-4079
Auto Body Experts, LLC	I1986	1440 N Beckley Avenue, Lancaster, TX 75134	972/224-3909
League City SMB Collision, LLC	I2539	1109 Gulf Freeway, LEAGUE CITY, TX 77573	832/632-2144
SEAY COLLISION, INC.	I2130	5721 Genoa Avenue, Lubbock, TX 79424	806/792-1570
Cipercen, LLC	I2685	8401 N. Harwood Road, NORTH RICHLAND HILLS, TX 76180	817/428-2924
BEACON ROCK, LP	I2125	4195 Spencer Highway, Pasadena, TX 77504	713/947-3260
SYED HUSSAIN	I2435	1011 N. Main Street, PEARLAND, TX 77581	832/230-8989
HH&W, Inc.	I1582	1500 W. Polk Street, Pharr, TX 78577	956/664-0405
Auto Appearance, LLC	I2521	3501 B.F. Terry Blvd., ROSENBERG, TX 77471	832/595-2190
Preservation Enterprises, Inc.	I2338	732 Round Rock Avenue, ROUND ROCK, TX 78681	512/341-8111
AUTO LOOKS, LLC	I2007	12050 Highway 6 South, Sugarland, TX 77478	281/933-2323
Rocks Partners LLC	I2491	14010 Hirschfield Road, TOMBALL, TX 77375	281/255-0014
Automotive Repair and Investments, Inc.	I1017	1010 Franklin Avenue, Waco, TX 76701	254/756-7205

Utah (5)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Atticus Holdings, LLC	I2030	1305 West Hill Field Road, Layton, UT 84041	801/444-3757
Paul Mortenson	I2425	43 S. 1000 W., LOGAN, UT 84321	435/563-1222
B & Y Corporation	I2049	574 N. State Street, Orem, UT 84057	801/224-9911
Stormy Corporation	I0393	3403 South 300 West, Salt Lake City, UT 84115	801/487-9978
Unicorn Auto & Paint, LLC	I1290	8411 S. State Street, Sandy, UT 84070	801/255-7799

Vermont (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Fortuna Paint & Collision, Inc.	I2095	1891 Williston Road, South Burlington, Vermont 05403-60076	802/862-0008

Virginia (22)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Stephen McMurray	I2567	1200 N. Main St., BLACKSBURG, VA 24060	540/232-9700
Hisham Mohammad	I2004	4429 Brookfield Corporate Drive, Chantilly, VA 20151	703/263-1029
Tidewater Auto Painting, Inc.	I0669	2207 Smith Avenue, Chesapeake, VA 23320	757/424-2003
J&L Collision, Inc.	I1755	11820 Jefferson Davis Highway, Chester, VA 23831	804/748-9872
John Nichols Enterprises, Inc.	I1788	3308 Route 29 North, Danville, VA 24540	434/836-9101
J & S Auto Painting, Inc.	I1339	2809 Dorr Avenue, Fairfax, VA 22031	703/573-3972
Ognibene Investments, Inc.	I2114	4600 Lassen Lane, Fredericksburg, VA 22408	540/891-0101
A D B, Inc.	I0875	827 W. Pembroke Ave., Hampton, VA 23669	757/723-0765
John Nichols	I1892	1100 Kemper Street, Lynchburg, VA 24501	434/846-8553
Wagner Of Virginia, Inc.	I1661	40 Seyler Drive, Petersburg, VA 23805	804/861-4330
Shore Capital, Llc	I2391	3937 Turnpike, PORTSMOUTH, VA 23701	757/399-7400
C & P Enterprises, Llc	I1958	3737 Hull Street, Richmond, VA 23224	804/231-9353
C & D Collision Repair & Auto Painting, Inc.	I0687	9407 Old Staples Mill Road, Richmond, VA 23228	804/264-2733
Alfred Inge	I1343	3318 West Broad, Richmond, VA 23230	804/355-6500
Denton Auto Painting And Bodyworks, Inc.	I1569	863 Research Road, Richmond, VA 23236	804/794-9714

Robert Belcher	12498	1711 Williamson Road NE, ROANOKE, VA 24012	540/981-1610
James Lee	11001	7661B Fullerton Road, Springfield, VA 22153	703/455-0003
John Uebel	12192	21585 Cedar Lane, Unit B, Sterling, VA 20166	703/430-5824
Beach Auto Painting, Inc.	11533	3641 Bonney Road, Virginia Beach, VA 23452	757/463-1195
David Walker	12431	1457 Harpers Road, VIRGINIA BEACH, VA 23454	757/425-5600
Peter Uzdavinis	12361	1321 Diamond Springs Road, VIRGINIA BEACH, VA 23455	757/464-2980
Calken, Inc.	11726	240 Prosperity Drive, Winchester, VA 22602	540/868-9511

Washington (17)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
V.E.P. EAST, INC.	12287	1400 132nd Avenue, NE, Bellevue, WA 98005	425/455-0447
VINH PHAM	12398	1515 Iowa Street, BELLINGHAM, WA 98229	360/393-3638
ALLEN-NICHOLSON CORPORATION	11637	911 Union Avenue, Bremerton, WA 98312	360/373-0577
RUN & GUN, INC.	11216	13646 First Ave., S, Burien, WA 98168	206/246-9990
V.E.P. INC.	12195	9505 Evergreen Way, Everett, WA 98204	425/347-8555
KDK ENTERPRISES, INC.	12244	32828 Pacific Highway S., Federal Way, WA 98003	253/838-6850
SCROPO CO., LLC	11753	8605 W. Clearwater Avenue, Kennewick, WA 99336	509/783-3196
VINH PHAM	12421	1020 Central Avenue South, KENT, WA 98032	253/520-7777
EMIN CORP.	12252	12314 Meridian Street East, Puyallup, WA 98373	253/845-2026
DKK ENTERPRISES, INC.	11421	739 9th Avenue North, Seattle, WA 98109	206/282-0150
JON VEENENDAAL	12169	19217 Aurora Avenue North, Shoreline, WA 98133	206/546-9322
CERJEM, INC.	11931	16011 E. Sprague Avenue, Spokane Valley, WA 99037	509/755-0404
MPSP, LLC	12404	422 E. Francis Avenue, SPOKANE, WA 99208	509/483-8528
THOMAS NUGENT	11401	3502 South Pine Street, Tacoma, WA 98409	253/472-6511
PEREDOS, LLC	12236	355 Treck Drive, Tukwila, WA 98188	206/575-2202
TMC Unlimited Corp	11952	2735 NE Andresen Road, Vancouver, WA 98661	360/254-0555
Clayton Eng	12517	16140 Woodinville-Redmond Rd NE, WOODINVILLE, WA 98072	425/398-1212

West Virginia (1)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Bodyworks & Painting Ltd, INC.	12080	6124 MacCorkle Avenue, St. Albans, WV 25177	304/766-6155

Wisconsin (4)

FRANCHISEE	CENTER NO.	CENTER ADDRESS	CENTER PHONE
Dm Ventures, Inc.	11856	4416 Pflaum Road, Madison, WI 53716	608/222-0808
John Bluemel	12407	13306 West Silver Spring Road, Menomonee Falls, WI 53051	262/783-5447
Skinna Investments, Inc.	12137	4128 South 13th Street, Milwaukee, WI 53221	414/282-4567
Hayquin Enterprises, Inc.	12050	2775 S. 166th Street, New Berlin, WI 53151	262/784-9540

Total: 451

EXHIBIT B-2

LIST OF MAACO FRANCHISEES WHO HAVE LEFT THE SYSTEM

Franchisees who ceased doing business between January 1, 2015 and December 31, 2015

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

TERMINATIONS (6)

FRANCHISEE	CENTER NO.	CITY	STATE	HOME PHONE
Meek Management, Inc.	10174	Lexington	KY	859-269-2055
Vijay and Kapilaben Patel	11266	Lisle	IL	unknown
Robert Berlinger	11854	Las Vegas	NV	702/622-4795
Robert Berlinger	12492	Las Vegas	NV	702/622-4795
Robert Berlinger	12596	Las Vegas	NV	702/622-4795
Robert Berlinger	12597	Las Vegas	NV	702/622-4795
Haidar Hamoud	12566	Pflugerville	TX	512/382-7447

NON-RENEWALS (1)

FRANCHISEE	CENTER NO.	CITY	STATE	HOME PHONE
David Wilson	11549	Lincoln	NE	402-677-6292

CLOSURES (12)

FRANCHISEE	CENTER NO.	CITY	STATE	HOME PHONE
Richard & Penny Niemeyer	12344	Kingman	AZ	928-225-1412
Kemberly Dawson	12104	Little Rock	AR	479-530-9569
Rycap Inc.	12090	Costa Mesa	CA	949-422-3994
Dennis Boyd	11434	Escondido	CA	949/285-6839
Michael & Peggy Murphy	11759	Fresno	CA	559-434-5428
Raymond Bylinowski	11117	Indianapolis	IN	317-691-6476
James Lasasso	10190	Hillsborough	NJ	732-718-4187
Michael Wisneiowski	12204	Paterson	NJ	201-214-9881
Kemberly Dawson	12043	Tulsa	OK	479-530-9569
Frank Costello	12434	Aston	PA	484-300-6715
David Halvorson	12116	Dallas	TX	210-232-9963
Charles Smith	11977	Houston	TX	281/463-2345

TRANSFERS (36)

FRANCHISEE	CENTER NO.	CITY	STATE	HOME PHONE
Mulford Waldrop	12693	Auburn	AL	706/566-2965
Mulford Waldrop	12555	Saraland	AL	706/566-2965
John Lyun	12165	Tempe	AZ	480/832-9390
Peachy Developments, LLC	12659	Chino Hills	CA	310/218-8235
Peachy Developments, LLC	12585	Covina	CA	310/218-8235
Peachy Developments, LLC	12580	Downey	CA	310/218-8235
Peachy Developments, LLC	12582	Garden Grove	CA	310/218-8235
Peachy Developments, LLC	12576	Gardena	CA	310/218-8235
Peachy Developments, LLC	12586	Gardena	CA	310/218-8235
Peachy Developments, LLC	12581	Glendale	CA	310/218-8235
Peachy Developments, LLC	12587	Laguna Niguel	CA	310/218-8235
Peachy Developments, LLC	12590	Lancaster	CA	310/218-8235
Peachy Developments, LLC	12584	Long Beach	CA	310/218-8235
Peachy Developments, LLC	12589	Orange	CA	310/218-8235
Peachy Developments, LLC	12588	Oxnard	CA	310/218-8235
Peachy Developments, LLC	12579	Pomona	CA	310/218-8235
Peachy Developments, LLC	12591	Temecula	CA	310/218-8235
Peachy Developments, LLC	12577	Torrance	CA	310/218-8235
Peachy Developments, LLC	12578	Van Nuys	CA	310/218-8235
Peachy Developments, LLC	12583	Van Nuys	CA	310/218-8235
Joe Ambuul Sr.	10850	Colorado Springs	CO	unknown
Jose Planas	12001	Miami	FL	954/217-2045
Mulford Waldrop	12609	Atlanta	GA	706/566-2965
Mulford Waldrop	12183	Fayetteville	GA	706/566-2965
Mulford Waldrop	12379	Jonesboro	GA	706/566-2965
Mulford Waldrop	12556	Leesburg	GA	706/566-2965
Mulford Waldrop	11137	Marietta	GA	706/566-2965
Mulford Waldrop	12553	Woodstock	GA	706/566-2965
Mulford Waldrop	12682	Prairieville	LA	706/566-2965
Duncan Prier	11064	Brocton	MA	508-733-1132
Leonard Dicks	12239	Pontiac	MI	248/778-6679
Michael Moody	12176	Independence	MO	unknown
Tom Almeter	11619	Charlotte	NC	704/652-1810
Gerard Bush	12355	Columbia	SC	803/422-8029
Mohammed Jamil	12539	League City	TX	713/444-7053
Glenn Miller	11952	Vancouver	WA	503-577-2225

EXHIBIT B-3**NON-OPERATIONAL MAACO FRANCHISEES****As of December 31, 2015****FRANCHISE AGREEMENTS SIGNED BUT MAACO CENTER NOT YET OPEN (105)**

CENTER NO.	FRANCHISEE	STATE	CITY	HOME PHONE
12747	Jayesh Patel	AZ	PHOENIX, AZ	480/577-6300
12748	Jayesh Patel	AZ	PHOENIX, AZ	480/577-6300
12714	John Galhandro	CA	LEMOORE, CA	559/816-2829
12752	Reza Hashemi	CA	SAN DIEGO, CA	(760) 715-7515
12672	MUHAMMED HAQ	CA	SAN LUIS OBISCO-ATASCADERO-PASO ROBLES, CA	(510) 396-6488
12411	James Shallo	CT	HARTFORD, CT	914/497-4110
12735	GEORGE ABRAHAM	CT	HARTFORD, CT	203-395-7075
12736	GEORGE ABRAHAM	CT	HARTFORD, CT	203-395-7075
12737	GEORGE ABRAHAM	CT	HARTFORD, CT	203-395-7075
12738	GEORGE ABRAHAM	CT	HARTFORD, CT	203-395-7075
12561	Zachary Kandrick	DC	WASHINGTON, DC	(301) 660-1334
12681	Justin DePasquale	FL	FT LAUD-HOLLYWD-POMPANO BCH, FL	773-354-5217
12690	Piero Pizzimenti	FL	JACKSONVILLE, FL	(904) 601-8424
12691	Piero Pizzimenti	FL	JACKSONVILLE, FL	(904) 601-8424
12719	Carlos Mata	FL	LAKELAND-WINTER-HAVEN, FL	unknown
12548	FRANK FURINO	FL	MELBOURNE-TITUSVILLE-PALM BAY, FL	407-709-4595
12549	FRANK FURINO	FL	MELBOURNE-TITUSVILLE-PALM BAY, FL	407-709-4595
12552	STEVEN CHERTOCK	FL	MIAMI, FL	(561) 329-4943
12642	Antonio Neri	FL	MIAMI, FL	786-631-8006
12704	Alejandro Alfonzo	FL	MIAMI, FL	unknown
12718	Juan Talavera	FL	MIAMI, FL	unknown
12726	Rafael Cortez Bernal	FL	MIAMI, FL	617/505-0341
12535	Caroline Peach	FL	ORLANDO, FL	407-466-6634
12537	Caroline Peach	FL	ORLANDO, FL	407-466-6634
12536	Caroline Peach	FL	ORLANDO, FL	407-466-6634
12670	Kristen Andreani	FL	TAMPA-ST PETERSBURG-CLEARWATER, FL	727-686-6721
12731	IVAN MONTOYA	FL	TAMPA-ST PETERSBURG-CLEARWATER, FL	813-846-7546
12768	Frank DeFrancesco	FL	TAMPA-ST PETERSBURG-CLEARWATER, FL	201/532-4585
12769	Frank DeFrancesco	FL	TAMPA-ST PETERSBURG-CLEARWATER, FL	201/532-4585
12770	Frank DeFrancesco	FL	TAMPA-ST PETERSBURG-CLEARWATER, FL	201/532-4585
12547	FRANK FURINO	FL	W PALM BEACH-BOCA RATON-DELRAY BEACH, FL	407-709-4595
12657	Carlos Andara	FL	W PALM BEACH-BOCA RATON-DELRAY BEACH, FL	786-213-8333
12692	Carlos Andara	FL	W PALM BEACH-BOCA RATON-DELRAY BEACH, FL	786-213-8333
12760	Atticus Franchise Group, LLC	GA	ATLANTA, GA	unknown
12761	Atticus Franchise Group, LLC	GA	ATLANTA, GA	unknown
12762	Atticus Franchise Group, LLC	GA	ATLANTA, GA	unknown
12763	Atticus Franchise Group, LLC	GA	ATLANTA, GA	unknown
12764	Atticus Franchise Group, LLC	GA	ATLANTA, GA	unknown
12615	Ryan Thornton	HI	HONOLULU, HI	808/358-7338
12616	Ryan Thornton	HI	HONOLULU, HI	808/358-7338
12617	Ryan Thornton	HI	HONOLULU, HI	808/358-7338
12410	Kimberly Klepec	IL	BLOOMINGTON-NORMAL, IL	309-319-1260
12720	Sam Albitouni	IL	CHICAGO, IL	773/419-1474
12750	Amar Patel	IL	CHICAGO, IL	847/721-6367
12751	Amar Patel	IL	CHICAGO, IL	847/721-6367
12706	Robert Pohl	IL	PEORIA, IL	(716) 583-8191

CENTER NO.	FRANCHISEE	STATE	CITY	HOME PHONE
12756	Atticus Franchise Group, LLC	LA	BATON ROUGE, LA	unknown
12660	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12661	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12662	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12663	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12664	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12665	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12666	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12667	Christopher Zammito	MA	BOSTON, MA	774-406-0556
12653	Donald Mestas	MD	Baltimore, MD	321-759-7551
12654	Donald Mestas	MD	Baltimore, MD	321-759-7551
12373	James Engeman	MO	ST LOUIS, MO	618/407-0725
12528	PHILLIP COLLINS	NC	CHARLOTTE-GASTONIA-ROCK HILL, NC	336/215-6946
12529	PHILLIP COLLINS	NC	CHARLOTTE-GASTONIA-ROCK HILL, NC	336/215-6946
12530	PHILLIP COLLINS	NC	CHARLOTTE-GASTONIA-ROCK HILL, NC	336/215-6946
12532	PHILLIP COLLINS	NC	RALEIGH-DURHAM, NC	336/215-6946
12614	Dennis Raftopoulos	NJ	MONMOUTH-OCEAN, NJ	908/415-8536
12730	David Fretwell	NJ	NEWARK, NJ	862/251-1793
12739	Paul Fallon	NJ	NEWARK, NJ	908/922-2849
12639	Edward Evangelista	NY	NASSAU-SUFFOLK, NY	917-836-6121
12640	Edward Evangelista	NY	NASSAU-SUFFOLK, NY	917-836-6121
12709	Richard Hetherington	OR	Bend, OR	541/292-2177
12675	Daniel Frost	PA	PHILADELPHIA, PA	302-753-8721
12677	Robert Johnston	PA	PITTSBURGH, PA	(412) 327-9342
12697	John Terrizzi	PA	PHILADELPHIA, PA	215/280-7260
12698	John Terrizzi	PA	PHILADELPHIA, PA	215/280-7260
12702	RONALD RAO	PA	PHILADELPHIA, PA	(856) 904-4918
12703	RONALD RAO	PA	PHILADELPHIA, PA	(856) 904-4918
12500	Gerard Bush	SC	COLUMBIA, SC	unknown
12600	LUKE MCCLATCHEY	SC	Greenville-Spartanburg-Anderson, SC	(864) 325-4019
12383	Carl Sanford	TN	MEMPHIS, TN	unknown
12771	Mark Rindermann	TN	NASHVILLE, TN	727/674-8086
12774	Pavel Tolstov	TN	NASHVILLE, TN	615/945-9720
12775	Pavel Tolstov	TN	NASHVILLE, TN	615/945-9720
12705	Robert James	TX	AUSTIN, TX	954/234-4472
12707	Matthew Browning	TX	DALLAS, TX	(817) 932-2656
12708	Matthew Browning	TX	DALLAS, TX	(817) 932-2656
12712	Amol Kansagra	TX	DALLAS, TX	972-835-2063
12713	Amol Kansagra	TX	DALLAS, TX	972-835-2063
12746	Steven Cidlik	TX	DALLAS, TX	562/546-2438
12749	Jorge Cereijo	TX	DALLAS, TX	972-998-4589
12389	Adam Reubin	TX	FT WORTH-ARLINGTON, TX	972-814-3232
12724	Juan Pannuzzo	TX	HOUSTON, TX	414-361-0327
12725	Juan Pannuzzo	TX	HOUSTON, TX	414-361-0327
12740	Juan Pannuzzo	TX	HOUSTON, TX	414-361-0327
12733	Olayinka Ogunsanya	TX	SAN ANTONIO, TX	706/604-9444
12741	Stanley Piernick III	TX	SAN ANTONIO, TX	913/220-0348
12742	Stanley Piernick III	TX	SAN ANTONIO, TX	913/220-0348
12743	Stanley Piernick III	TX	SAN ANTONIO, TX	913/220-0348
12766	Jose Novales Arellano	TX	SAN ANTONIO, TX	210/414-2128
12767	Jose Novales Arellano	TX	SAN ANTONIO, TX	210/414-2128
12723	Amy Glaubenskle	UT	SALT LAKE CITY-OGDEN, UT	801/253-9559
12621	Thomas Bullock	VA	RICHMOND-PETERSBURG, VA	unknown
12722	FRANK FELLE	VA	RICHMOND-PETERSBURG, VA	804-748-9872
12727	Craig Baker	VA	RICHMOND-PETERSBURG, VA	804/716-5500
12728	Craig Baker	VA	RICHMOND-PETERSBURG, VA	804/716-5500
12605	EDWARD PUGH, III	WA	TACOMA, WA	unknown
12772	Tony Steelman	WA	VANCOUVER, WA	360/335-7252
12773	Tony Steelman	WA	VANCOUVER, WA	360/335-7252

TEMPORARILY CLOSED CENTERS (1)

CENTER NO.	FRANCHISEE	CITY	STATE	CENTER PHONE
12434	FNM Coach Works, Inc.	Aston	PA	610/497-3545

EXHIBIT B-4

NON-OPERATIONAL MAACO FRANCHISEES WHO HAVE LEFT THE SYSTEM

Franchisees who ceased doing business between January 1, 2015 and December 31, 2015

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

NON-OPERATIONAL FRANCHISEES TERMINATED (2)

NAME	CENTER NO.	MARKET AREA	TELEPHONE NUMBER
Andres Martin Ramos & Marcos Castillo Ramos	12673	Miami, FL	305/613-7966
Giovanni & Tairo Vellojin and Reynaldo Cordoba	12648	Boca Raton, FL	561/506-9259

PARTNERSHIP DISSOLVED/FRANCHISE STILL OPERATIONAL (5)

List of franchisees leaving a particular franchise or corporation as of December 31, 2015

NAME	CENTER NO.	CITY, STATE	TELEPHONE NUMBER
Danny Wood & Beverly Kandrick	11887	Hagerstown, MD	540/636-2716
Joel Schlachter	10779	Orange, NJ	201/625-1692
Charles Rechenberg	10236	Toms River, NJ	732/255-7006
Jimmy Kelley	11744	Corpus Christi, TX	512/937-7802
Gerald Myers & Crystal Denton	10687	Richmond, VA	804/833-5793

EXHIBIT C
FRANCHISE AGREEMENT

**MAACO FRANCHISOR SPV LLC
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the “Agreement”), made and entered into this _____ day of _____, _____, (“Effective Date”) between MAACO FRANCHISOR SPV LLC, a Delaware limited liability company, with its principal office at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), and _____ (“Franchisee”).

WITNESSETH:

WHEREAS, MAACO, its predecessors and affiliates have accumulated extensive knowledge of, and experience in the vehicle painting and body repair business and have developed and own a unique system (the “System”) relating to the establishment, development, marketing, administration and operation of centers specializing in vehicle painting and body repair (“Maaco Centers”) which may be changed, improved and further developed by MAACO from time to time;

WHEREAS, MAACO is the owner of the trade names, trademarks and service marks, “Maaco Collision Repair & Auto Painting,” “Maaco Auto Painting and Bodyworks,” “Cosmollision” and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated by MAACO) as part of the System (the “Proprietary Marks”), and MAACO continues to develop, use and control such Proprietary Marks for the benefit and exclusive use of itself and its franchises in order to identify for the public the source of services and products marketed thereunder and to represent the System’s high standards of quality and service;

WHEREAS, Franchisee has applied to MAACO for a franchise to operate a Maaco Center under the System and to receive the training and other assistance provided by MAACO, and such application has been approved in reliance upon all of the representations made therein;

WHEREAS, Franchisee understands and acknowledges the importance of MAACO’s high and uniform standards of quality and service and the necessity of operating the business franchised hereunder in conformity with MAACO’s standards and specifications;

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. APPOINTMENT

A. MAACO hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise to operate a Maaco Center (the “Center”), and to use solely in connection therewith the System, as it may be changed, improved and further developed from time to time and the Proprietary Marks, within the following designated area (the “Designated Area”):

Franchisee accepts this grant and agrees to use his best efforts to develop the business potential of the Center utilizing the System.

B. Provided Franchisee is in compliance with this Agreement, MAACO will not during the term of this Agreement establish, nor will a franchisee establish a Maaco Center for each fifty thousand (50,000) persons in the Core Based Statistical Area ("CBSA") (as such CBSA is defined as of the date of this Agreement by the Office of Management and Budget) in which the Center is located. This area will be a "Protected Area," and the Protected Area shall be determined as of the date that MAACO seeks to grant an additional license or franchise in proximity to the Protected Area. Franchisee shall not relocate the Center without prior written approval of MAACO.

C. Except as provided herein, Franchisee expressly acknowledges and agrees that, this franchise is nonexclusive and that MAACO or its subsidiaries or affiliates or other franchisees or licensees of MAACO may compete with franchisees for customers within and outside of the territory described above. Franchisee further acknowledges and agrees that customers of Maaco Centers are generated under the brand and belong to the System, thereby enhancing the value of the brand.

2. SELECTION OF SITE

A. Franchisee shall use its best efforts to seek and select a proposed location with the Designated Area acceptable to MAACO as suitable for the operation of a Maaco Center. Franchisee shall submit to MAACO, in the form specified by MAACO, a description of the location and such other information or materials as MAACO may require. MAACO's approval of a site shall not constitute, nor be deemed, a judgment as to the likelihood of success of the Center at such location or a judgment as to the relative desirability of such location in comparison to other locations within the Designated Area.

B. Franchisee shall secure a site for the Center by lease or purchase within eighteen (18) months from the date of execution of this Agreement. In the event Franchisee fails to secure a site within this time period, or, if at any time after the execution of this Agreement and prior to the time Franchisee secures a site for the Center, MAACO determines in its judgment that Franchisee has not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Center or that Franchisee has been uncooperative with MAACO during any one or more phases of the pre-operational process, then MAACO shall have the right to terminate this Agreement upon written notice to Franchisee. In such event, MAACO will refund, without interest, the amount of the initial franchise fee paid less its costs and expenses relating to processing Franchisee's application, including franchise sales commissions, and evaluating proposed locations, which costs and expenses will not be less than Ten Thousand Dollars (\$10,000.00), provided Franchisee signs a general release in form and substance satisfactory to MAACO.

C. MAACO will provide site specifications and standards for general location and zoning, neighborhood, parking requirements, layout and other physical characteristics and lease terms and conditions for Maaco Centers, including lease duration and rental, or terms of purchase, including debt service, in the event Franchisee is purchasing the location for the Center. Franchisee shall submit the lease, if any, prior to its execution to MAACO for its approval, which approval shall not be unreasonably withheld, and which lease shall, among other things, provide that:

- (1) The premises shall only be used for the operation of the Maaco Center;
- (2) Franchisee may not sublease or assign the lease or any part thereof;
- (3) MAACO shall have the right to enter the premises to make any modifications necessary to protect the Proprietary Marks; and
- (4) MAACO shall have the right, at MAACO's election, to receive an assignment of the leasehold interest upon termination or expiration of this Agreement for any reason.

In addition, at the request of MAACO, Franchisee shall execute a collateral assignment of Franchisee's lease in the form prescribed by MAACO to secure Franchisee's obligations under this Agreement.

D. Franchisee shall, prior to occupancy of the Center, submit to MAACO a statement signed by Franchisee certifying that Franchisee has obtained all permits and certifications required for operation of the Center, including, without limitation, zoning, access, sign and fire requirements.

E. Franchisee may request that MAACO agree to a termination of this Agreement at any time after the expiration of nine (9) months from the date of execution of this Agreement, but before the expiration of eighteen (18) months from the date of execution of this Agreement, provided Franchisee, in MAACO's judgment, has made good faith efforts to obtain a site for the Center but has been unable to do so by that date. If MAACO agrees to such termination, MAACO shall refund, without interest, the amount of the initial franchise fee paid less its costs and expenses relating to processing Franchisee's application, including franchise sales commissions, and evaluating proposed locations, which costs and expenses will not be less than Ten Thousand Dollars (\$10,000.00), provided Franchisee sign a mutual release in form and substance satisfactory to MAACO.

F. Franchisee agrees to open the Center within eighteen (18) months after the date of execution of this Agreement. However, if Franchisee's failure to open its Center within such eighteen (18) month period is due to reasons beyond Franchisee's control (such as Acts of God, unavoidable delays in obtaining zoning permits or unavoidable construction delays), at MAACO's discretion MAACO may grant a reasonable extension of time for Franchisee to open its Center. If however, Franchisee has not opened its Center within this 18 month period and no extension has

been granted to Franchisee then at MAACO's option Franchisee's MAACO franchise will be terminated and Franchisee will forfeit all of the fees paid under this Agreement.

G. In the event Franchisee elects to purchase an existing Maaco Center following execution of this Agreement, MAACO will retain from the amount of the initial franchise fee paid its reasonable expenses incurred, and, if applicable, any franchise business broker fees or commissions that were paid or are payable by MAACO. The remainder, if any, of the initial franchise fee paid shall be applied to Franchisee's transfer fee, the Initial Training and Opening Fee (as defined in Paragraph 5B(3)), initial advertising deposit or any other amounts payable to or due MAACO in connection with the transfer.

H. In the event of a termination of this Agreement as described in Paragraph 2(B) or (E) above, Franchisee shall execute a mutual release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities.

3. TERMS AND RENEWAL

A. The term of the franchise shall begin on the Effective Date and expire fifteen (15) years from the date the Center opens for business as determined by MAACO.

B. Franchisee may, at its option, renew this franchise for one (1) additional term of fifteen (15) years, provided that:

(1) Franchisee has given MAACO written notice of election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term;

(2) Franchisee must pay all past due amounts under this Agreement and any other agreements between Franchisee and MAACO or its subsidiaries or affiliates;

(3) Franchisee is not in default of any provision of this Agreement, any amendment hereof or any other Agreement between Franchisee and MAACO or its subsidiaries or affiliates and has substantially complied with all the terms and conditions of such agreements during the terms thereof;

(4) Franchisee agrees to execute upon renewal MAACO's then current form of franchise agreement, which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement including, without limitation: (i) a higher percentage royalty fee; and (ii) a continuing weekly advertising contribution in an amount equal to Franchisee's weekly budget at the time of renewal, or the amount set forth in MAACO's then current franchise agreement, whichever is greater; and

(5) At MAACO's request, Franchisee shall execute a general release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorney, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities.

(6) If Franchisee has failed to renew Franchisee's MAACO franchise license at the end of the initial term of Franchisee's Agreement and Franchisee continue to operate Franchisee's Center after the expiration date then at MAACO's option MAACO can treat Franchisee's continued operation of Franchisee's Center as an extension or renewal of Franchisee's MAACO franchise agreement. If MAACO treats it as an extension then MAACO may terminate Franchisee's Franchise thereafter for any reason upon 30 days written notice to Franchisee.

C. A renewal fee of Two Thousand Five Hundred Dollars (\$2,500.00) shall be paid upon execution of the renewal agreement which, when paid to MAACO, shall be deemed fully earned and non-refundable.

D. Franchisee shall complete the following Center refurbishing tasks, at Franchisee's expense, upon renewal of the franchise:

- (1) Install MAACO's then-current merchandising system;
- (2) Install MAACO's then-current exterior signage and trade dress;
- (3) Complete general cleaning, fixing, repairing and painting of the Center;
- (4) Complete maintenance service of the equipment (including, but not limited to, the oven, booth, mixing equipment and compressors); and
- (5) Replace equipment not repairable, as necessary.

E. Franchisee must provide MAACO with a copy of the lease agreement in effect for the Center location. The lease term must be at least equal to the term or any renewal term.

F. Franchisee must provide MAACO with an assignment of its leasehold interest upon termination or expiration of any renewal term.

4. DUTIES OF MAACO

A. MAACO shall provide an initial training program to Franchisee and the majority investor in the franchise (as defined in Paragraph 7B hereof), and make available such other training programs as it deems appropriate. If Franchisee is an existing franchisee, MAACO can require Franchisee or Franchisee can elect to attend the initial training program before the Center opens. All training shall be at such times and places as may be designated by MAACO.

B. MAACO shall use Franchisee's initial advertising contribution to provide for the opening promotion and initial advertising of the Center.

C. MAACO shall provide such initial and continuing advisory assistance in the operation of the Center as it deems appropriate.

D. MAACO shall provide Franchisee with a set of specifications as to the types and quantities of inventory, supplies and equipment necessary for operation of the Center and specifications for exterior and interior signs.

E. MAACO shall provide Franchisee one copy of the Confidential Operating Manual, as more fully described in Paragraph 10 hereof.

F. MAACO shall conduct, as it deems advisable, inspections of the Center and evaluations of the vehicle painting and body repair services rendered at the Center.

G. MAACO shall administer the advertising funds paid hereunder in the manner prescribed by Paragraph 6B hereof.

5. FEES AND OTHER PAYMENTS

A. Franchisee agrees to pay MAACO the following fees:

(1) An initial franchise fee of Forty Thousand Dollars (\$40,000.00) which, when paid to MAACO, shall be deemed fully earned and non-refundable, except as noted herein, and shall be payable upon execution of this Agreement.

(2) A non-refundable "Initial Software License Fee" for access to the shop management system (the "Management System") that Franchisee must purchase and use in the Center. The Initial Software License Fee is equal to the then current fee being charged and payable before MAACO or its third party vendor delivers access to the Management System to Franchisee or thirty (30) days prior to the scheduled opening of the Center, whichever occurs first. Franchisee also must purchase all required hardware to operate the Management System. In addition, MAACO or its third party supplier will charge Franchisee a monthly license fee for access to the Management System and support MAACO or its designee provides to Franchisee for the Management System. Franchisee must enter into any software license agreement MAACO requires for use of the Management System. MAACO has the right to designate a single source from which Franchisee must purchase the Management System, any software or hardware components thereof or associated service, and MAACO or its affiliates may be that single source. Notwithstanding the foregoing, if the Franchisor requires Franchisee to utilize different shop management system, software, hardware or related technology systems, Franchisee must use such shop management system, software, hardware and systems, will pay the then-current costs of such shop management system, hardware, software or systems charged to MAACO, or MAACO's designated vendor, including initial license fees, equipment purchases, technology fees or maintenance fees. MAACO also may access

financial information and customer data produced by or otherwise located on the Management System.

(3) A non-refundable “Initial Training and Opening Fee” of Five Thousand Dollars (\$5,000.00) payable upon Franchisee’s arrival at the initial training program (or thirty (30) days prior to the scheduled opening of the Center if Franchisee is an existing franchisee who will not attend the initial training program). MAACO shall apply the Initial Training and Opening Fee to MAACO’s expenses in providing pre-opening and opening assistance, including providing Franchisee with its initial training in the operation and management of the Center, real estate selection assistance, and financing assistance.

(4) A continuing weekly royalty fee in an amount equal to (i) four percent (4%) of the gross receipts of the Center for the first full six (6) months of the term during which Franchisee operates the Center; and (ii) nine percent (9%) of the gross receipts of the Center during the balance of the term of this Agreement. The continuing weekly royalty fee shall be due and payable by Friday of each week on gross receipts of the Center for the previous week.

(5) MAACO reserves the right to charge Franchisee a weekly “Technology Access Fee” in connection with MAACO website, extranet system, applications, and other technology platforms and developments. MAACO reserve the right to increase the Technology Access Fee with thirty (30) days prior written notice to Franchisee.

B. All continuous advertising contributions and royalty fees on gross receipts shall be due on Friday of each week on gross receipts for the preceding week, together with a signed statement in the form prescribed by MAACO reflecting all gross receipts for the week’s business, including specific customer information, costs incurred, cash transactions, customer invoices and such other data and information as MAACO may require (the “Weekly Business Report”). In the event that the weekly royalty fees and advertising contributions are paid by Friday for the previous week’s business and submitted with the Weekly Business Report, the royalty fee payable shall be reduced to eight percent (8%) of gross receipts as a cash discount, provided that Franchisee is current as of the date of payment with all weekly royalty fees, advertising contributions and any other monies due MAACO or its affiliates or subsidiaries. (For the avoidance of doubt, MAACO will not apply the cash discount to the royalty fee due and payable by Franchisee during the first full six (6) months of the term during which Franchisee operates the Center.) All payments are required to be withdrawn via electronic withdrawal, and Franchisee hereby consents to MAACO making such electronic withdrawals, and must comply with the terms of subsection F below.

C. MAACO and its affiliates have developed, and MAACO manages and controls, a national accounts program with various fleet and commercial accounts (the “National Accounts Program”). Under the National Accounts Program, qualified Maaco Centers that meet MAACO’s standards and criteria will be selected by MAACO to provide paint and body service repair services to MAACO’s fleet and commercial accounts. At MAACO’s option, all services provided by Franchisee under the National Accounts Program will be centrally billed through

MAACO. In the event Franchisee is not current with payment of all weekly royalty fees, advertising contributions and any other monies due MAACO, MAACO will apply all or a portion of the payment for services rendered under the National Accounts Program to Franchisee's past due accounts.

D. If any payment to MAACO under this Agreement or any other agreement or account with MAACO or its affiliates or subsidiaries is overdue, Franchisee shall pay to MAACO or its affiliates or subsidiaries interest compounded monthly on such amount from the due date until paid at the maximum rate permitted by law (or, in the absence of such rate, a rate equal to one and a half percent (1.5%) per month). Entitlement to such interest shall be in addition to any other remedies MAACO or its affiliates or subsidiaries may have.

E. "Gross receipts" as used herein shall mean the amount of all cash collected, or other consideration received, for all sales of merchandise and services of any nature at or from or as a result of the Center, including, but not limited to, sublet labor and new and used replacement parts, less sales or equivalent taxes.

F. At MAACO's request, Franchisee shall promptly execute or re-execute within five (5) days after MAACO's request and deliver to MAACO, in the form required by MAACO, pre-authorized checks or such other instruments or drafts, payable against Franchisee's bank account to enable MAACO to collect by electronic withdrawal the royalty fees and continuing advertising contributions due under the terms of this Agreement. MAACO may require that Franchisee establish a commercial bank account at a bank that meets MAACO's requirements. MAACO may further require that Franchisee's account have minimum overdraft protection in an amount determined by MAACO. Franchisee shall deposit all collected gross receipts into its commercial bank account as soon as practicable but in no event later than the end of the business day following receipt. In the event Franchisee changes the banking institution or the account for its commercial business bank account that MAACO has on record, Franchisee shall provide MAACO with ten (10) days' written notice prior to changing the banking institution or the account and Franchisee shall re-execute the appropriate form(s) required by MAACO to reflect the change in account information within the time necessary for timely electronic withdrawals from the new account.

Franchisee shall submit, for MAACO's receipt by Friday of each week for the preceding week, the Weekly Business Report (as defined in Paragraph 5B). In the event that the Weekly Business Report is received by MAACO on Friday for the previous week's business and the applicable royalty fees and advertising contributions due thereon are paid by Friday, the royalty fee payable shall be reduced to eight percent (8%) of gross receipts as a cash discount, provided that Franchisee is current as of the date of payment with all weekly royalty fees, advertising contributions and other monies due MAACO or its affiliates or subsidiaries. (For the avoidance of doubt, MAACO will not apply the cash discount to the royalty fee due and payable by Franchisee during the first full six (6) months of the term during which Franchisee operates the Center.) If Franchisee fails to submit the Weekly Business Report on a timely basis as stated herein, MAACO shall estimate the amount of Franchisee's gross receipts by using the last reported amount of gross receipts by Franchisee to MAACO and MAACO shall calculate the royalty fees due at nine percent (9%). Upon MAACO's receipt of the required Weekly Business

Report from Franchisee reflecting the actual gross receipts, MAACO will recalculate the royalty fees due at nine percent (9%) of the gross receipts reported and MAACO shall debit or credit the Franchisee's royalty fee obligation for that week accordingly.

On Friday of each week, MAACO will deposit or transfer into its own account, using Franchisee's pre-authorized checks or other instruments, the amount of royalty fees (or in the absence of a Weekly Business Report, the estimated amount of royalty fees) and the advertising contributions due for the preceding week. If any draft, electronic or otherwise, is unpaid because of insufficient funds or otherwise, royalty fees shall be due at nine percent (9%) of the gross receipts, and Franchisee shall pay all of MAACO's expenses arising from such non-payment including bank fees.

6. ADVERTISING AND TELEPHONE

6.1 ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the good will and public image of the System, the parties agree as follows:

A. Franchisee shall pay to MAACO an initial advertising contribution in the amount of Twenty Thousand Dollars (\$20,000.00) payable upon Franchisee's arrival at the initial training program (or thirty (30) days prior to opening if Franchisee is an existing franchisee who will not attend the initial training program), for pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed Franchisee's initial advertising contribution, in which case MAACO will charge Franchisee the difference.

B. Franchisee shall pay MAACO a continuing weekly advertising contribution in the amount of Eight Hundred Fifty Dollars (\$850.00), or an amount equal to the weekly advertising budget of Franchisees operating in Franchisee's designated market area, whichever is greater, for the creation and placement of advertising and promotional programs by MAACO for the benefit of the System, including website development, telemarketing and Maaco Center locator numbers. Notwithstanding anything stated to the contrary, during the first six (6) months that Franchisee opens its new Center the amounts that Franchisee contributes as stated above may be spent on local marketing for Franchisee's Center or for the local market as determined by MAACO within its sole discretion. Any such local marketing done on a local market basis will include the center information of existing franchisees in said marketing area as MAACO may deem appropriate from time-to-time. All weekly advertising contributions shall be payable at the same time as the weekly royalty payments due under Paragraph 5A hereof. Franchisee hereby acknowledges MAACO's right to pay from the advertising funds collected all costs and expenses related to the formulation, development, production, media and all other costs of such advertising and promotion (including without limitation, the proportionate compensation of employees of MAACO who devote time and render services in the conduct, formulation, development and production of such advertising and promotion programs or the administration of the funds used therefore.) Franchisee hereby acknowledges that advertising contributions payable hereunder

will not be used to pay for Yellow Page advertising of Franchisee (see Paragraph 6D below). Franchisee agrees that MAACO may increase the amount of such advertising contributions on or after the date hereof and Franchisee shall pay such increased amounts in accordance with this Paragraph 6B; provided, however, that the amount of such increase after the first twelve (12) months of Franchisee's operations shall not exceed ten percent (10%) per year. The amount of the increase in advertising contributions chargeable to Franchisee hereunder shall be cumulative and if MAACO does not increase the advertising contribution of Franchisee by the maximum amount permitted hereunder in any given year, MAACO may add the amount not charged to Franchisee in any given year to the amount chargeable to Franchisee in subsequent years. MAACO will spend all advertising contributions hereunder for advertising and promotion as herein described, provided that it shall not be obligated to spend such contributions in the year in which paid by Franchisee. Franchisee acknowledges and understands that advertising and promotion conducted by MAACO is intended to maximize general public recognition and patronage of the System in the manner determined to be most effective by MAACO and that MAACO undertakes no obligation in developing, implementing or administering such programs to ensure that expenditures which are proportionate or equivalent to Franchisee's contributions are made for the Center or that any Maaco Center will benefit directly or pro rata from the placement of advertising. MAACO will provide an annual statement of receipts and disbursement with respect to advertising contributions payable hereunder upon written request by Franchisee.

C. Franchisee shall pay MAACO at the same time as the weekly royalty fee payments due under Paragraph 5A hereof a continuing weekly national marketing fee in the amount of seventy dollars (\$70.00) or an amount equal to the then current national marketing fee being charged by MAACO to be used, in part, for national broadcast opportunities, national public relations and promotional efforts, and Internet related advertising (including maintenance and updates to websites and social media) designed to promote the MAACO brand on a national level. MAACO will notify Franchisee in writing of any increases to the national marketing fee.

D. Franchisee shall pay MAACO at the same time as the weekly royalty fee payments due under Paragraph 5A hereof a continuing weekly digital marketing fee in the amount of seventy dollars (\$70.00) or an amount equal to the then current digital marketing fee being charged by MAACO to be used for digital marketing efforts and future forms of electronic marketing or promotional tools or programs, including pay-per-click advertising and directory listing maintenance. MAACO will notify Franchisee in writing of any increases in the digital marketing fee.

E. MAACO shall be the owner of and shall secure the Remote Call Forward ("RCF") telephone number and listing for the Center. Franchisee shall pay MAACO at the same time as the weekly royalty fee payments due under Paragraph 5A hereof a RCF telephone fee in the amount of five dollars (\$5.00) or an amount equal to the then current telephone fee being charged by MAACO. MAACO will notify Franchisee in writing of any increases in the telephone fee. Franchisee shall not change telephone service providers for the Center without MAACO's approval. MAACO shall have the right to control all print and online Yellow Page and internet search engine optimization ("SEO") advertising and telephone listings. MAACO shall determine, at its sole discretion, the size of display advertisements and the type of

advertisement to be placed in all Yellow Page and SEO advertisements. Franchisee will also be obligated to reimburse MAACO for all telephone bills paid by MAACO with respect to the telephone and telephone number used by the Center upon receipt of invoice from MAACO, or, at the request of MAACO, Franchisee agrees to pay the telephone bill directly immediately upon receipt thereof from MAACO or the telephone company. MAACO will place all Yellow Page and SEO advertising for Franchisee and other franchisees of the System. All Maaco Centers must have a display ad in the Yellow Page and SEO directory of the provider of its phone service. In addition to the payments made under Paragraph 6B above, Franchisee will be obligated to pay to MAACO the annual costs of such Yellow Page and SEO advertising which will be billed to Franchisee. Franchisee agrees to remit all such payments on a weekly basis in addition to the weekly payments referenced in Paragraph 6B above. In the event that more than one (1) franchisee shares the Yellow Page or SEO advertising the cost will be apportioned among all participating franchisees on an equal basis. If any payment to MAACO under this paragraph is past due, MAACO may require Franchisee to pay in full the annual cost of any Yellow Page and SEO advertising renewal upon demand by MAACO.

F. Franchisee acknowledges the need to aggressively advertise and promote his business on a local basis. Accordingly, Franchisee agrees to use his best efforts to promote the business of the Center through local advertising and promotion and agrees to expend such funds which may be necessary to accomplish this result.

G. All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements prescribed by MAACO. Franchisee shall submit to MAACO for its prior approval, samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by MAACO.

H. Franchisee will not develop, own or operate any website for the business franchised hereunder.

I. The telephone number owned and secured by MAACO shall be the only telephone number used in all advertising in any medium. Franchisee shall not own or use any toll free lines without the prior written approval of MAACO.

6.2 USE AND OWNERSHIP OF TELEPHONE NUMBERS

Certain advertising, including yellow pages, placed for a MAACO is placed using an RCF telephone number, or other such tracking mechanism that MAACO may use from time to time. This/these number(s) are established by us and will be directed to the primary local telephone number secured for Franchisee's Center. Franchisee may not publish, print, or otherwise use the RCF number(s), or other tracking mechanism used or sponsored by MAACO, are not to be published, printed or used by Franchisee or its Center in connection with any other business or any MAACO business related forms such as business cards, invoices, letterhead, etc. At no time does Franchisee have rights to or control of a MAACO Advertising RCF number. Only at such time when the MAACO franchise license associated with the location using the particular RCF number, or other tracking mechanism that may be used from time to time, is

terminated, will Franchisee lose the use of the RCF number or such tracking mechanism

Franchisee must obtain local telephone service and establish it according to the guidelines set forth by MAACO. For Franchisee's advertising RCF number(s) to be established and for Franchisee's Center to be included in MAACO coordinated advertising programs, Franchisee will be required to provide MAACO with the documentation showing the primary local telephone number and showing that it was established in the required manner. The primary local telephone number that Franchisee obtains will be the number used on business cards, letterhead, invoices and other business forms. This will also be the number to which Franchisee's advertising RCF number(s) will be directed. It is understood and agreed by Franchisee that the RCF program at some time may be replaced with other telephone tracking mechanisms that MAACO believes is more advanced than the current tracking mechanism and in that event Franchisee agrees to comply with the same or similar requirements that may be necessary to provide the same type of benefits that are now provided through the RCF number.

In addition, Franchisee agrees to sign such release and transfer documents as MAACO may require to authorize us to obtain the telephone numbers of Franchisee's Center upon any termination or expiration (without renewal) of this Agreement. If, during the Term, the telephone numbers for Franchisee's Center should be transferred to someone other than us, Franchisee will cooperate with us to ensure that they are returned to us.

Franchisee agrees not to place any restrictive codes on the telephone numbers for Franchisee's Center without MAACO's consent. Franchisee agrees not to terminate any such telephone numbers during the Term or do anything else that may directly or indirectly impede MAACO's ability to transfer or use those numbers upon any termination or expiration (without renewal) of this Agreement.

All telephone numbers and directory listings for Franchisee's Center are MAACO's property, and MAACO has the right to transfer, terminate or amend such telephone numbers and directory listings only on termination or expiration (without renewal) of this Agreement. If MAACO takes any action pursuant to this Paragraph 6(2), the telephone company and all listing agencies may accept this Agreement as conclusive evidence of MAACO's exclusive rights to such telephone numbers and directory listings and as conclusive evidence of MAACO's authority to direct their amendment, termination or transfer, without any liability to Franchisee.

7. DUTIES OF FRANCHISEE

A. Franchisee shall develop the Center in the manner prescribed by MAACO for a Maaco Center, including, without limitation, the implementation of the System as directed by MAACO, and shall use in the operation of the Center only those brands and types of equipment, inventory and supplies which meet MAACO's standards and specifications.

B. Before the Center opens, Franchisee and the majority investor in the franchise shall attend and successfully complete in MAACO's sole opinion, an initial training program prescribed by MAACO. The majority investor is defined as any signatory to this Agreement who has collateralized a loan for the business, guaranteed the lease, or guaranteed the mortgage

on of the Center. MAACO shall provide and pay only for, training instructors, facilities, training materials, Franchisee's round trip transportation to and from the training site and lodging for the initial training program. All other expenses incurred in such initial training, including, without limitation, the cost of food, shall be borne by Franchisee. In the event that Franchisee or the majority investor is unable to complete the initial training program to MAACO's satisfaction, MAACO shall have the right, upon written notice to Franchisee, to terminate this Agreement.

C. Franchisee shall attend, at the request of MAACO, supplemental or refresher training programs, sales meetings, operations meetings, advertising meetings and conventions which may be offered by MAACO from time to time during the term of the franchise. All expenses incurred in connection with additional training programs, sales meetings, operations meetings, advertising meetings and conventions as MAACO may reasonably require including, without limitation, the cost of travel, room, board and wages, shall be borne by Franchisee, and MAACO shall provide and pay only for training instructors and materials.

D. Franchisee, at its sole expense, shall conduct ongoing training programs at the Center for employees.

E. Franchisee shall maintain the Center in the highest degree of sanitation, repair and condition, and shall perform such periodic repainting, repairs to impaired equipment and replacement of obsolete signs as MAACO may reasonably direct. At MAACO's request, which shall not be more often than once every five (5) years (and not more often than once every three (3) years for computer hardware and software), Franchisee shall refurbish the Center to conform to MAACO's then current public image, and shall remodel, redecorate and make such modifications to existing improvements as may be necessary. Franchisee shall purchase any additional equipment and replace any obsolete equipment as MAACO may from time to time direct at Franchisee's expense.

F. Franchisee shall render prompt, workmanlike, courteous and willing service to all customers of the Center and agrees to handle all customer complaints promptly and courteously.

G. At MAACO's request, Franchisee shall provide MAACO with customer data and information that MAACO may require, including, but not limited to, customer invoices, customer's names, addresses and cash collected from customers.

H. Franchisee will at all times actively promote the sale of Maaco's services and will use its best efforts to cultivate, develop and expand the business of the Center within the market. Franchisee will do nothing which may, in MAACO's sole opinion, tend to discredit, dishonor, reflect adversely upon or in any manner injure the reputation of MAACO, Franchisee, any other franchisees or MAACO customers.

I. Franchisee will offer all products and services that MAACO from time to time authorizes in writing for a Maaco Center. Franchisee shall not offer or sell any other products or services without MAACO's written consent.

J. Franchisee shall make all payments required under this Agreement in the manner and at the time prescribed in this Agreement.

K. Franchisee shall dedicate a telecommunications line for the sole purpose of supporting MAACO's computer system and shall subscribe to an Internet service provider approved by MAACO. At MAACO's election, Franchisee shall obtain telecommunications and computer infrastructure products required to support MAACO's then-current information technology systems.

L. Franchisee agrees to purchase from suppliers approved by MAACO, paint, abrasives and other products as MAACO may specify from time to time to ensure the integrity of the products used in the operation of Franchisee's Maaco Center and to support certain marketing programs that facilitate and support purchasing programs and arrangements negotiated by MAACO for the System.

M. If Franchisee, or an affiliate of Franchisee, acquires the location at any time during the term of the Agreement or any renewal, Franchisee, or its affiliate, shall provide MAACO with the option to purchase the property or enter into a lease with Franchisee, or its affiliate, upon termination or expiration of this Agreement, in a form satisfactory to MAACO.

N. Franchisee shall comply with all other requirements set forth in this Agreement.

8. WARRANTIES AND GUARANTEES

Recognizing the value of providing warranties and guarantees of the services performed hereunder to the customers of the System, and the importance of the standardization of the warranties and guarantees offered to the furtherance of the goodwill and public image of the System, the parties agree as follows:

A. MAACO has established uniform warranties and guarantees for the System and Franchisee agrees to provide to every customer of the Center on forms provided by MAACO, all warranties and guarantees as MAACO prescribes.

B. Franchisee agrees to honor valid customer claims presented under warranties and guarantees made by Franchisee and other MAACO franchisees without demanding reimbursement therefore from the customer. In the event that Franchisee honors a warranty or guarantee issued by another Maaco Center, Franchisee shall be reimbursed by the franchisee that originally performed the work. Such reimbursement shall be in an amount not to exceed MAACO's current nationally recommended warranty rates. In the event of a dispute between any customer of the Center and Franchisee over any warranty issued by the Center or any other Center, MAACO will evaluate the dispute and make a determination of the manner in which such dispute will be resolved and Franchisee shall be bound by this determination.

C. Franchisee agrees to reimburse any franchisee who satisfies any warranty or guarantee issued by Franchisee hereunder, in an amount as described in Paragraph 8B, hereof, within five (5) days after receipt of an invoice for such reimbursement. Franchisee authorizes

MAACO to charge for warranty services performed by another Maaco Center on customer warranties issued by Franchisee, and to credit Franchisee for warranty services performed on customer warranties issued by another Maaco Center, as MAACO determines to be appropriate from time to time for the national customer warranty program. Franchisee agrees to pay MAACO any net debit balances, and MAACO agrees to pay Franchisee any net credit balances, with respect to the national customer warranty program at such times and on such conditions as MAACO determines from time to time.

D. Franchisee shall not issue or offer any other warranty or guarantee without MAACO's prior written approval.

9. PROPRIETARY MARKS

A. Franchisee's right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement, including, but not limited to, standards and procedures prescribed by MAACO with respect to Franchisee's use of any Proprietary Mark in connection with an electronic address, domain name, website or search engine. Any unauthorized use of the Proprietary Marks by Franchisee, including, but not limited to, the unauthorized use by Franchisee of any Proprietary Mark as part of an electronic address, domain name, website or search engine, shall constitute an infringement of the rights of MAACO in and to the Proprietary Marks. Franchisee agrees that all usage of the Proprietary Marks and any goodwill established thereby shall inure to the exclusive benefit of MAACO. Franchisee acknowledges that this Agreement does not confer any goodwill or other interest in the Proprietary Marks upon Franchisee.

B. Franchisee agrees that after termination or expiration of this Agreement he will not directly or indirectly at any time or in any manner identify himself or any business as a current or former Maaco Center or as otherwise associated with MAACO, or use in any manner or for any purpose the Proprietary Marks or any colorable imitation thereof.

C. Franchisee agrees to operate, advertise and promote the Center under the trade and service mark "Maaco Collision Repair & Auto Painting," or other name prescribed by MAACO, provided that Franchisee shall identify himself as the owner and operator thereof in the manner prescribed by MAACO. Franchisee shall not use the Proprietary Marks as part of any corporate name or with any prefix, suffix or other modifying words, designs or symbols, or in any modified form, nor may Franchisee use the Proprietary Marks in connection with the sale of any unauthorized service or product or in any manner not expressly authorized by MAACO. Franchisee agrees to prominently display the Proprietary Marks on all sales invoices, stationery and other forms and materials designated by MAACO, and in the manner prescribed by MAACO, and to obtain such fictitious or assumed name registrations as may be required under applicable law.

D. Franchisee shall promptly notify MAACO of any use by any person or legal entity other than MAACO or another of its franchisees of any Proprietary Marks, any colorable variation thereof, or any other mark in which MAACO has or claims a proprietary interest. Franchisee further agrees to notify MAACO promptly of any litigation instituted by any person

or legal entity against MAACO or Franchisee involving the Proprietary Marks. In the event MAACO, in its sole discretion, undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of MAACO's counsel, be reasonably necessary to carry out such defense or prosecution.

E. MAACO may modify or discontinue Franchisee's use of any Proprietary Marks and/or substitute Proprietary Marks. Franchisee agrees, at his/her expense, to comply with any such modification or discontinuance in accordance with time periods reasonably prescribed by MAACO.

10. CONFIDENTIAL OPERATING MANUAL

A. In order to protect the reputation and goodwill of MAACO and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall operate the Center in accordance with MAACO's Confidential Operating Manual (the "Manual"), one copy of which will be supplied to Franchisee upon his or her arrival at training either in electronic or paper form. The Manual contains mandatory and suggested standards, procedures, techniques and other items relating to the operation of a Maaco Center. Franchisee must comply with all mandatory provisions of the Manual.

B. Franchisee shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the Center, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time, without MAACO's prior written consent, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

C. The Manual shall at all times remain the sole property of MAACO.

D. MAACO may from time to time revise the contents of the Manual and Franchisee expressly agrees to comply with each new or changed standard; provided, however, that any such revision or modification will not materially change or alter the fundamentals of the System unless it is determined by MAACO that such changes are necessary or desirable to respond to changing market conditions or to enable its franchisees to compete more effectively in the market place. The provisions of the Manual as modified from time to time shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manual.

11. CONFIDENTIAL INFORMATION

Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or entity, any trade secrets or Confidential Information (defined further below), knowledge, or know-how concerning the methods of operation of a Maaco Center which may be communicated or disclosed to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's

operation under the terms of this Agreement. Franchisee shall divulge such trade secrets and Confidential Information only to its employees who must have access to it in order to operate the Center. "Confidential Information" shall include the Manual, MAACO's operating systems, MAACO's publications including Paintline, and such other documents, marketing/advertising strategies, media buying policies, methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Centers and all customer lists and customer information.

12. RECORDS AND REPORTS

A. During the term of this Agreement, Franchisee shall maintain and preserve, for at least seven (7) years from the dates of their preparation, full complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by MAACO from time to time. Franchisee acknowledges that reporting this information to MAACO is critical to MAACO's operations and MAACO shall have the right to designate an accounting service or firm to compile all books, business records and reports prescribed from time to time by MAACO.

B. Franchisee shall report to MAACO, no later than noon on Tuesday of each week, the Center's weekly business figures for the preceding week, including without limitation, gross receipts and all related figures, as required by MAACO and in the manner specified by MAACO. MAACO shall have the right, in its sole discretion, to publish and disclose the Center's business figures in business publications distributed to its franchisees.

C. Franchisee shall, at its expense, submit to MAACO by the fifteenth (15th) day of each month, during the first twelve (12) months of the operation of the Center, an income statement and statement of cash flow for the Center for the preceding month and for the year-to-date and a balance sheet as of the end of such month. Within 120 days after the end of each calendar year, a year-end balance sheet and income statement and statement of cash flow of the Center for such year, reflecting all year-end adjustments and accruals, provided MAACO will not unreasonably withhold its consent to a request for an extension of time to provide such statements, and such other information as MAACO may require from time to time, including sales and income tax statements.

D. Franchisee shall submit to MAACO, for review or auditing, such other forms, reports, records, information and data as MAACO may reasonably request, including the Center's and Franchisee's (or if Franchisee is an entity, its owner's) personal income tax returns.

E. MAACO or its designated agents shall have the right at all reasonable times to examine, at its expense, the books, records and tax returns of Franchisee. MAACO shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If any inspection or audit should reveal that any payments due MAACO have been understated in any report to MAACO, then Franchisee shall immediately pay to MAACO or its affiliates or subsidiaries the amount understated upon demand, plus interest from the date such amount was due until paid, at the rate specified in Paragraph 5F hereof. Additionally, if any inspection or audit should reveal that any payments due MAACO have been understated in any report to

MAACO or if Franchisee fails to produce all books and records to be audited at the time specified by MAACO, Franchisee shall reimburse MAACO for any and all costs and expenses connected with the inspection, any re-inspection or with the audit (including, without limitation, the charges of any independent accountant, attorneys' fees and travel expenses, room, board and compensation of MAACO employees). The foregoing remedies shall be in addition to any other remedies MAACO may have.

13. INSURANCE

A. Franchisee shall purchase and at all times during the term of this Agreement shall maintain in full force and effect at his/her sole expense and for minimum policy limits prescribed from time to time by MAACO, public liability insurance, including but not limited to, employer's liability, garage liability, pollution liability, garagekeeper's legal liability, employment practices liability and commercial umbrella coverage against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Center and worker's insurance and other insurance required by law. MAACO may, upon written notice to Franchisee, increase the policy limits or minimum liability protection or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances.

B. All policies of insurance shall be issued by an insurance company having a policy holder's rating of A+ or better by A.M. Best Company and duly authorized to transact business in the state where the premises is located.

C. All policies of insurance shall name MAACO as additional insured and any other party designated by MAACO. All such policies shall contain an endorsement which provides that only actual notice to insured, if an individual, or to any executive officer of insured, if a corporation or other entity, shall constitute knowledge of the insured. Franchisee shall furnish MAACO, any other named insureds and all other persons designated by MAACO, proof of insurance in the form Franchisor requires, indicating that all required insurance is in full force and effect and will not be terminated or changed without at least thirty (30) days prior written notice to MAACO of each such policy. Within five (5) days of any request by MAACO, Franchisee shall deliver a copy of all such insurance policies to MAACO for examination.

D. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as revised from time to time for all franchisees, MAACO shall have the right and authority (without, however, any obligation to do so), to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for MAACO's expenses in so acting, shall be payable by Franchisee immediately upon notice.

E. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by MAACO, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Paragraph 20 of this Agreement.

14. TRANSFERABILITY OF INTEREST

A. MAACO shall have the right to transfer or assign all or any part of its rights or obligations herein to any other person or legal entity.

B. Franchisee understands and acknowledges that the rights and duties set forth in the Agreement are personal to Franchisee. Accordingly, Franchisee shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this franchise or in Franchisee without the prior written consent of MAACO. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of MAACO shall be null and void and shall constitute a material breach of this Agreement. MAACO shall not unreasonably withhold its consent to a transfer of any interest in the franchise or Franchisee, provided, however, that prior to the time of transfer, MAACO may, in its sole discretion, except in the case of a transfer to a corporation formed solely for the convenience of ownership, require that:

(1) All of Franchisee's accrued monetary obligations to MAACO and its affiliates and subsidiaries and all other outstanding obligations related to the Center shall have been satisfied;

(2) Franchisee shall have executed a general release in a form satisfactory to MAACO, of any and all claims against MAACO and its officers, directors, shareholders and employees, in their corporate and individual capacities;

(3) The transferee shall execute MAACO's then-current franchise agreement and pay MAACO a transfer fee of Fifteen Thousand Dollars (\$15,000.00) which, when paid to MAACO, shall be deemed fully earned and nonrefundable;

(4) The transferee shall assume all warranty and guarantee work of the Franchisee;

(5) The transferee shall pay MAACO its then-current Initial Training and Opening Fee and shall complete the initial training program then in effect for franchisees;

(6) The transferee shall demonstrate to MAACO's satisfaction that he or she meets MAACO's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business of the Center; and has adequate financial resources and capital to operate the Center;

(7) The transferee shall pay MAACO an initial advertising deposit of Ten Thousand Dollars (\$10,000.00); provided MAACO shall have the right to increase the amount of such advertising deposit ten percent (10%) per year from the date of this Agreement to the date of any such transfer;

(8) In the event that as a result of MAACO's marketing/referral efforts an individual/transferee is identified or if the transferee has already executed a franchise

agreement with MAACO, Franchisee shall pay MAACO a sales commission in the amount of ten percent (10%) of the gross sales price of the Center or Thirty Thousand Dollars (\$30,000.00), whichever is greater, regardless of whether Franchisee has a listing with a third party broker;

(9) Franchisee shall pay to MAACO a transfer fee of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00).

(10) Franchisee and transferee shall execute such other documents as may be reasonably required by MAACO; and

(11) Franchisee or transferee shall complete the following Center refurbishing tasks, at Franchisee's expense, prior to MAACO's consent to any such transfer:

- a. Install MAACO's then-current merchandising system;
- b. Install MAACO's then-current exterior signage and trade dress;
- c. Complete general cleaning, fixing, repairing and painting of the Center;
- d. Complete maintenance service of the equipment (including, but not limited to, the oven, booth, mixing equipment and compressors);
- e. Replace equipment not repairable, as necessary; and
- f. Purchase hardware and software to operate MAACO's current shop management system.

C. In the event the proposed transfer is to a corporation or other business entity formed solely for the convenience of ownership, MAACO's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

(1) The business entity transferee shall be newly organized and its charter or other organizational documents shall provide that its activities are confined exclusively to the operation of the Center;

(2) Franchisee shall own a majority interest in the business entity transferee, shall not diminish his proportionate ownership interest in the business entity transferee, except as may be required by law, and shall act as its principal executive officer;

(3) Each stock certificate or other certificate evidencing ownership of the business entity transferee shall have conspicuously endorsed upon its face a statement in a form satisfactory to MAACO that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this Agreement;

(4) All shareholders or others holding ownership interests in the business entity transferee shall execute an agreement in the form prescribed by MAACO guaranteeing such entity's obligations under this Agreement and agreeing to be bound jointly and severally by all provisions hereof; and

(5) The business entity transferee shall agree to be bound by all of the provisions of this Agreement and to assume and discharge all of Franchisee's obligations hereunder.

D. In the event of a proposed transfer, Franchisee agrees that MAACO shall have the right to make available to the transferee its complete file of Franchisee.

E. If Franchisee is a corporation or other entity, the articles of incorporation, by-laws and other organizational documents shall recite that the issuance and transfer of any security is restricted by the terms of Paragraph 14 hereof and each stock certificate or other documents representing ownership interests shall have conspicuously endorsed upon its face a statement in a form satisfactory to MAACO that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignment by this Agreement.

F. Upon the death or permanent incapacity of any person with an interest in the franchise or in Franchisee, the executor, administrator, personal representative or trustee of such person or entity shall transfer his or its interest to a third party approved by MAACO within a reasonable time, not to exceed 12 months from the date of death or permanent incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any lifetime transfer. If the heirs or beneficiaries of any such person are unable to meet the conditions in Paragraph 14 hereof, the executor, administrator, personal representative or trustee of the deceased or incapacitated franchisee shall have a reasonable time, not to exceed 12 months from the date of death or permanent incapacity, to dispose of the deceased's or incapacitated person's interest in the franchise, which disposition shall be subject to all the terms and conditions for transfers contained in the Agreement.

G. MAACO's consent to transfer of any interest in the franchise granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of MAACO's right to demand exact compliance with any of the terms of this Agreement by the transferee.

15. TERMINATION BY MAACO

A. In addition to MAACO's right to terminate this Agreement as provided in Paragraph 2B hereof, MAACO may terminate this Agreement and the franchise by notice of termination to Franchisee upon the occurrence of any of the following events:

(1) Franchisee becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated as bankrupt, suffers temporary or permanent court appointed receivership of substantially all of its property or suffers the filing of a voluntary or involuntary bankrupt petition which is not dismissed within thirty (30) days after filing or is dissolved for any reason;

(2) Franchisee abandons or ceases to do business at the Center, or loses the right to possession of the Center or otherwise forfeits the right to do or transact business in the jurisdiction where the Center is located; however, if any loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee, the Center is damaged or destroyed by a disaster such that it cannot, in MAACO's judgment, reasonably be restored, then in either such event this Agreement shall not be terminated for that reason for ninety (90) days thereafter, provided Franchisee applies within that time for approval to relocate the Center, for the remainder of the term hereof, which approval shall not be unreasonably withheld;

(3) Arrest and/or conviction of Franchisee or any owner of Franchisee of certain felonies;

(4) Franchisee purports to transfer any rights or obligations under this Agreement to any third party without MAACO's prior written consent, contrary to the terms of Paragraph 14 of this Agreement;

(5) Franchisee fails to comply with the in term covenants in Paragraph 18 hereof;

(6) Franchisee discloses or divulges the contents of the Manual or other trade secret or Confidential Information provided Franchisee by MAACO contrary to Paragraphs 10 and 11 hereof;

(7) If an approved transfer is not effected within a reasonable time following Franchisee's death or permanent incapacity as required by Paragraph 14F hereof;

(8) A threat or danger to public health or safety results from the maintenance or operation of the Center;

(9) MAACO discovers that Franchisee made any material misrepresentation on or in connection with his application for the franchise;

(10) MAACO receives repeated customer complaints about the Center;

(11) Franchisee misrepresents or intentionally underreports the Center's business figures or gross receipt in reports submitted to MAACO;

(12) Franchisee or the majority investor fails or is unable to complete the initial training program to the satisfaction of MAACO; or

(13) Franchisee fails on two (2) or more occasions within any twelve (12) month period to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee.

B. MAACO shall have the further right to terminate this Agreement and the franchise by notice of termination to Franchisee, if Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by MAACO and does not correct such failure within seven (7) days if such failure relates to the use of the Proprietary Marks, fifteen (15) days if such failure relates to the payment of money by Franchisee pursuant to this Agreement or any other agreement between Franchisee and MAACO or its subsidiaries or affiliates, otherwise within thirty (30) days, after written notice of such failure to comply (which shall describe the action that Franchisee must take to correct same) is given to Franchisee.

C. Termination is effective the date the notice of termination is mailed to Franchisee.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement:

A. Franchisee shall immediately cease to operate the business franchised under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of MAACO.

B. Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, confidential methods, procedures and techniques associated with the System; the trade and service mark “Maaco Auto Painting & Bodyworks” or “Maaco Collision Repair & Auto Painting,” and any Proprietary Marks and distinctive forms, slogans, signs, symbols, or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, equipment, advertising materials, stationery, forms and any other articles which display the Proprietary Marks.

C. Franchisee shall immediately stop accepting new customers using MAACO paperwork, shall complete all work-in-progress and deliver all motor vehicles to their owners, and shall provide MAACO with all customer data and customer lists in its possession.

D. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the name “Maaco” or any other service mark or trademark of MAACO, and to notify the telephone company and all listing agencies of the termination or expiration of Franchisee’s right to use all telephone numbers and all classified and other directory listings of the Center and, where applicable, to authorize same to transfer to MAACO or its affiliate all such numbers and directory listings. Franchisee acknowledges that as between MAACO and Franchisee, MAACO has the sole rights to and interest in all telephone number and directory listings associated with any name or mark and, where applicable, authorizes MAACO to direct the telephone company and all listing agencies to transfer same to MAACO or its affiliate should Franchisee fail to do so, and the telephone company and all listing agencies shall accept such direction or this Agreement as conclusive of the exclusive rights of MAACO in such telephone numbers and directory listings and its authority to direct their transfer. Franchisee shall be obligated to immediately pay all outstanding charges related to such telephone numbers upon termination or expiration.

E. Franchisee shall make such modifications or alterations to the premises operated hereunder (including without limitation, ceasing all use of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to prevent the operation of any business thereon by himself or others in derogation of this Paragraph 16 and shall make such specific additional changes thereof as MAACO may reasonably request for that purpose. In the event Franchisee fails to make such modifications, MAACO shall have the right to re-enter the premises and make such modifications or alterations to the premises.

F. Franchisee shall promptly pay all sums owing to MAACO and its subsidiaries and affiliates.

G. Franchisee shall immediately return to MAACO, at Franchisee's expense, all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the franchised business including, without limitation, brochures, agreements, and any and all other materials relating to the operation of the Center in Franchisee's possession.

H. Franchisee shall comply with the covenants contained in Paragraph 18 of this Agreement.

I. Franchisee shall execute a general release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their individual and corporate capacities.

17. OPTION TO PURCHASE

A. Upon termination or expiration of this Agreement, MAACO shall have the right for a period of sixty (60) days commencing on the date of termination or expiration to purchase from Franchisee the assets of the Center and obtain an assignment of Franchisee's lease for the premises of the Center, or if Franchisee owns the real property on which the Center is located, to purchase the property or enter into a lease with Franchisee for the premises of the Center.

B. The purchase price for the assets of the Center shall be their fair market value exclusive of any goodwill, provided that MAACO may exclude from the purchased assets, any fixtures, equipment, signs, products or supplies that it has not theretofore approved as meeting quality or performance standards for Centers. If MAACO and Franchisee are unable to agree on the fair market value, the fair market value shall be determined by an independent appraiser selected by both parties.

C. The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than sixty (60) days after receipt by Franchisee of MAACO's notice of exercise of this option to purchase the assets, at which time Franchisee shall deliver instruments transferring to MAACO or its assignee: (1) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances with all sales and other transfer taxes payable by

Franchisee; and (2) all licenses or permits which may be assigned or transferred. MAACO shall have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to MAACO.

18. COVENANTS

A. Except as otherwise approved in writing by MAACO, Franchisee (or if Franchisee is more than one person, the person approved by MAACO) shall devote full time, energy and efforts to the management and operation of the Center. The Center shall at all times be managed and operated by Franchisee (or if Franchisee is more than one person, the person approved by MAACO). Franchisee conducting the day to day management and operation of the Center and the majority investor in the franchise shall attend and complete to MAACO's satisfaction the initial training program described in Paragraph 7E of this Agreement.

B. Franchisee covenants that during the term of this franchise, except as otherwise approved in writing by MAACO, Franchisee shall not directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

(1) Divert or attempt to divert any business or customer of the business franchised hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

(2) Employ or seek to employ any person who is at that time employed by MAACO or by any other franchisee of MAACO, or otherwise directly or indirectly induce such person to leave his or her employment, unless Franchisee obtains written approval from such person's employer.

(3) Own, maintain, engage in, be employed by, finance or make loans to, advise, assist, or have any interest in or relationship or association with any other business providing, in whole or in part, motor vehicle painting or body repair services or products.

C. Franchisee covenants that for a period of one (1) year from whichever of the following events occurs later: (i) the expiration or termination of this Agreement, regardless of the cause of termination; (ii) the date upon which Franchisee ceases to operate the Center; (iii) a transfer of this Agreement permitted under Paragraph 14; (iv) the date upon which Franchisee complies with this Paragraph 18C; or (v) a final arbitration or court order (after all appeals have been taken) concerning any of the foregoing or concerning the enforcement of this Paragraph 18C, Franchisee shall not either directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, or legal entity:

(1) Do or engage in any act prescribed by Paragraphs 18B (1) and (2) of this Agreement, which are hereby incorporated by reference as if more fully set forth herein.

(2) Own, maintain, engage in, be employed by, finance or make loans to, advise, assist, or have any interest in or relationship or association with any business providing,

in whole or in part, motor vehicle painting or body repair services or products at the premises of the Center or within a radius of ten (10) miles of the Center or of any other Maaco Center or MAACO location (including MAACO retail stores).

D. Franchisee understands and acknowledges that MAACO shall have the right to reduce the scope of any covenant set forth in Paragraph 18B and C, in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Paragraph 23 hereof.

E. If any court or other tribunal having jurisdiction to determine the validity or enforceability of this Paragraph 18 determines that it would be invalid or unenforceable as written, then the provisions of Paragraph 18 shall be deemed to be modified to such extent or in such manner as necessary for such provisions to be valid and enforceable to the greatest extent possible.

F. Franchisee acknowledges that any violation of Paragraph 18 would result in irreparable injury to MAACO for which no adequate remedy at law is available.

19. TAXES, PERMITS AND INDEBTEDNESS

A. Franchisee shall promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, and any and all indebtedness incurred by Franchisee in the conduct of the business franchised hereunder.

B. Franchisee shall comply with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business franchised hereunder, including, without limitation, those related to hazardous waste storage and removal, licenses to do business, fictitious name registrations and sales tax permit clearance. Franchisee shall comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies MAACO may periodically establish. Franchisee must notify MAACO immediately of any suspected data breach at or in connection with Franchisee's Center.

C. Franchisee shall notify MAACO in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Franchisee is an independent contractor. Nothing in this Agreement is intended to or does in fact or law make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. This Agreement does not create a fiduciary relationship between the parties. Further, MAACO and Franchisee are not and do not intend to be partners,

associates, or joint employers in any way, and MAACO shall not be construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Although MAACO retains the right to establish and modify the System that Franchisee must follow, Franchisee retains the responsibility for the day-to-day management and operation of the Center and implementing and maintaining standards at the Center. To the extent that the Manual or MAACO's guidelines or standards contain employee-related policies or procedures that might apply to Franchisee's employees, those policies and procedures are provided for informational purposes only and do not represent mandatory policies and procedures to be implemented by Franchisee. Franchisee must determine to what extent, if any, these policies and procedures may be applicable to Franchisee's operations at the Center. MAACO and Franchisee recognize that MAACO neither dictates nor controls labor or employment matters for franchisees and that Franchisee, and not MAACO, is solely responsible for dictating the terms and conditions of employment for Franchisee's employees including, but not limited to, training, wages, benefits, promotions, hirings and firings, vacations, safety, work schedules, and specific tasks. MAACO has no relationship with Franchisee's employees, and Franchisee has no relationship with MAACO's employees.

B. During the term of this Agreement and any extensions hereof, Franchisee expressly agrees to hold itself out to the public as an independent contractor operating the business pursuant to a franchise from MAACO. Franchisee agrees to take such affirmative action as may be necessary to do so, including without limitation, exhibiting a notice of that fact in a conspicuous place in the franchised premises, the content of which MAACO reserves the right to specify.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on MAACO's behalf, or to incur any debt or other obligation in MAACO's name, and that MAACO shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the franchised business or any claim or judgment arising therefrom against MAACO, including those related to Franchisee employees. Franchisee shall indemnify and hold MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the franchised business, including but not limited to, any claims relating to hazardous waste storage, removal or disposal, as well as the cost, including attorney's fees, of defending against them.

D. Franchisee acknowledges and agrees that, except as provided under an applicable guarantee of performance, none of MAACO's past, present or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership or management, vendors, service providers, agents, attorneys or representatives will have any liability for (i) any of MAACO's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against MAACO based on, in respect of, or by reason of, the relationship between Franchisee and MAACO, or (iii) any claim against MAACO based on any of MAACO's alleged unlawful act or omission.

21. APPROVALS AND WAIVERS

A. Whenever this Agreement requires the prior approval or consent of MAACO, Franchisee shall make a timely written request to MAACO therefore, and such approval or consent shall be obtained in writing.

B. MAACO makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

C. No failure of MAACO to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of MAACO's right to demand exact compliance with any of the terms herein. Subsequent acceptance by MAACO of any payments due to it hereunder shall not be deemed to be a waiver by MAACO of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22. NOTICES

A. Franchisee acknowledges and agrees that exchanging information with MAACO by e-mail, electronic transmission and facsimile transmission is an important way to enable quick, effective and efficient communication. To facilitate the use of e-mail, electronic transmission and facsimile transmission to exchange information, Franchisee authorizes during the term of this Agreement the transmission of e-mails, electronic and facsimile transmissions by MAACO, its employees, vendors and affiliates to Franchisee on matters pertaining to the business contemplated hereunder. In order to implement the terms of this Paragraph, Franchisee agrees that: (1) MAACO and its employees, vendors and affiliates are authorized to send e-mails, electronic transmissions and facsimile transmissions to those of Franchisee's employees as Franchisee may designate for the purpose of communicating with MAACO; (2) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen and paper writing, as MAACO may reasonably require) to MAACO's transmission of e-mails to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails from MAACO, its employees, vendors or affiliates during the time that such person works for or is affiliated with Franchisee; and (3) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails from MAACO, its employees, vendors or affiliates during the term of this Agreement.

B. Any and all notice required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to MAACO:

Maaco Franchisor SPV LLC
440 South Church Street
Suite 700
Charlotte, North Carolina 28202

Notices to Franchisee:

Except for a notice of termination, as stated in Paragraph 15C, any notice by certified or registered mail shall be deemed to have been delivered two (2) business days from the date of mailing. The consent and authorization given in Paragraph 22A above shall not apply to the provision of notices under Paragraph 22B above unless the parties otherwise agree in a pen and paper writing signed by both parties.

23. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full and complete agreement between MAACO and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Franchisee to execute this Agreement. No representations, inducements, promises or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) are made by either party, and none shall be of any force or effect with reference to this Agreement or otherwise. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that MAACO made in the most recent disclosure document (including its exhibits and amendments) that MAACO delivered to Franchisee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

24. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not to be part of this Agreement.

B. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of, or election not to renew this Agreement, or the taking of some other action with respect to such termination or election not to renew than is required hereunder, the prior notice of

other action required by such law or rule shall be substituted for the notice or other requirements thereof.

C. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than MAACO or Franchisee and such of their respective successors and assigns as may be contemplated by Paragraph 14 hereof, any rights or remedies under or by reason of this Agreement.

D. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which MAACO is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

E. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

F. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all parties hereto on behalf of Franchisee.

G. This Agreement may be executed in counterparts, and each copy so executed shall be deemed an original.

25. ENFORCEMENT

A. This Agreement takes effect upon its acceptance and execution by MAACO. This Agreement shall be interpreted and construed under the laws of the State of North Carolina and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Carolina, which laws shall prevail in the event of a conflict of law.

B. Any action arising out of or relating to this Agreement shall be commenced, litigated, and concluded only in a state or federal court of general jurisdiction in the county or district where MAACO's principal offices are located, which as of the date of this Agreement is Charlotte, North Carolina. Franchisee irrevocably submits to the jurisdiction of the state and federal courts located in Mecklenburg County, North Carolina, and irrevocably waives any objection he may have to either the jurisdiction or venue of such courts. Franchisee further irrevocably agrees not to argue that any such court is an inconvenient forum or to request transfer of any such action to any other court. MAACO, however, shall have the option of bringing any action to enforce the terms of this Agreement or prevent any actual or threatened breach of this Agreement in any court of competent jurisdiction and Franchisee consents to the entry of injunctive relief, including, without limitation, temporary restraining orders and/or preliminary

and permanent injunctions without the requirement of bond, according to the equity rules in the jurisdiction in which such relief is sought.

C. No right or remedy conferred upon or reserved to MAACO or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar MAACO's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

E. Franchisee agrees to pay MAACO its reasonable attorneys' fees and costs incurred in connection with any default by Franchisee under this Agreement. If MAACO shall institute any action at law or in equity against Franchisee to secure or protect its rights hereunder or to enforce the terms of this Agreement, MAACO shall be entitled to recover, in addition to any judgment rendered in its favor, its reasonable attorneys' fees, costs, and court costs.

FRANCHISEE ACKNOWLEDGES THAT THE SUCCESS OF THE CENTER INVOLVES RISKS AND IS DEPENDENT UPON: (I) THE ABILITY AND ACUMEN OF FRANCHISEE AS AN INDEPENDENT BUSINESSPERSON; (II) FRANCHISEE'S FULL-TIME PARTICIPATION IN THE DAY-TO-DAY OPERATION OF THE CENTER; AND (III) FRANCHISEE'S IMPLEMENTATION OF THE SYSTEM. FRANCHISEE REPRESENTS AND WARRANTS THAT NEITHER MAACO NOR ANY PERSON OR ENTITY ACTING ON ITS BEHALF HAS PROVIDED ANY ASSURANCES OR MADE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME, PROFITS OR PROBABLE SUCCESS OF THE CENTER. FRANCHISEE ACKNOWLEDGES THAT HE/SHE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE MAACO FRANCHISE OPPORTUNITY. FRANCHISEE HAS READ THE ABOVE FRANCHISE AGREEMENT AND UNDERSTANDS ITS TERMS. FRANCHISEE WOULD NOT SIGN THIS FRANCHISE AGREEMENT IF FRANCHISEE DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement on this ____ day of _____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Attest: _____

EXHIBIT D

OPENING EQUIPMENT, INVENTORY AND SIGNS



INTEROFFICE MEMORANDUM

TO; Caitlin Smith

From: Julian McLain

Date:

Subject: Tax Rate Information

Franchisee: _____

Center Address & Zip: _____

County: _____

Please complete the following tax information for the above-referenced center and return to my attention

TAX RATE: _____

Taxable

Equipment	Yes	No
Installation	Yes	No
Freight	Yes	No
Paint	Yes	No
Inventory (dry goods)	Yes	No
Stationery	Yes	No
Sign Package	Yes	No
Computer Hardware	Yes	No



Date:

Franchisee:

Center No:

F/A

Address:

**OPENING PACKAGE
ANALYSIS OF INVESTMENT**

A. FRANCHISE AGREEMENT

(1) Initial Franchise Fee	\$30,000.00
(2) Initial Advertising	\$30,000.00
(3) Software License Fee	\$5,000.00
(4) Initial Training Fee	\$5,000.00
Total Franchise Agreement Fees	\$70,000.00
Initial FF Paid	\$0.00
Balance on Fees	\$70,000.00

B. EQUIPMENT

	Price as of July 2014	Revised Price	Taxable Amount	7.40%	Total Revised Price + Tax
(5) Equipment and Installation	\$122,600.00	\$127,946.64	\$88,696.21	\$6,563.52	\$134,510.16
(6) Estimated Freight	\$6,500.00	\$6,500.00	\$6,500.00	\$481.00	\$6,981.00
(7) Storage	\$2,000.00	\$2,000.00	\$2,000.00	\$148.00	\$2,148.00
(8) Inventory including Paint	\$18,032.72	\$18,032.72	\$5,522.15	\$408.64	\$18,441.36
(9) Stationery Package	\$400.24	\$802.15	\$802.15	\$59.36	\$861.51
(10) POS Retail Package	\$8,259.00	\$13,709.00	\$13,709.00	\$1,014.47	\$14,723.47
(11) Retail Wall Display Products	\$1,144.26	\$1,144.26	\$1,144.26	\$84.68	\$1,228.94
(12) Sign Package	\$13,142.07	\$8,831.96	\$8,831.96	\$653.56	\$9,485.52
(13) Computer Hardware	\$4,328.50	\$4,328.50	\$4,328.50	\$320.31	\$4,648.81
(14) Air Quality Permit Fee	\$2,170.00	\$2,135.00	\$0.00	\$0.00	\$2,135.00
Sub-Totals	\$178,576.79	\$185,430.23	\$131,534.23	\$9,733.54	\$195,163.77
Total Equipment Pkg.	\$195,163.77				

	<u>Total Due</u>	<u>Amount Paid</u>	<u>Balance Owed</u>
A. Franchise Agreement Fees	\$70,000.00	\$0.00	\$70,000.00
B. Equipment	\$195,163.77	\$0.00	\$195,163.77
Total Fees & Equipment Pkg.	\$265,163.77	\$0.00	\$265,163.77
C. Working Capital should be added to your loan request			

PAYMENT HISTORY

Less Check # _____	Dated _____	\$0.00
Less Check # _____	Dated _____	\$0.00
Less Check # _____	Dated _____	\$0.00
TOTAL PAYMENTS AS OF 2/12/2013		\$0.00

Balance on Fees are to be paid in prior to attending Training Class. Balance due on Equipment Package due two weeks prior to Delivery / Installation date. Funds can be paid in Certified Funds or Wire Transfer.

BANK WIRE

FUNDS INSTRUCTIONS ATTACHED.

cc: (copy on bal of fees paid & bal paid on EQP)

E. Wright, E. Moore, R. Black, B. Ratcliffe, T. Crutchfield, Kristi Kanzig, B. Dornheim, S. Workman, K. Williams, P. Davie, M. Osovsky

email:
cell:



MAACO FRANCHISING, INC.
EQUIPMENT PACKAGE

F/O Name: _____ #M

Location: _____

F/A date: _____

Date Prepared: _____

A. EQUIPMENT PKG. (pg. 2 & 3) including INSTALLATION		\$122,600.00	
Additions:	(Refer to Equip Pkg for itemized deletions)	\$5,346.64	
Adjusted Equipment Pkg. Incl. Installation		\$127,946.64	\$88,696.21 eqp \$39,250.43 inst
Additions to the Equip Pkg.:			
	Estimated Freight	\$6,500.00	
	Estimated Storage & Rigging	\$2,000.00	
	Duct Work Transition / Offset	\$0.00	
Total Additions		\$8,500.00	
TOTAL EQUIPMENT PACKAGE			\$136,446.64
B. INVENTORY (Supply Pkg (pg. 8) and PAINT PACKAGE)			\$18,032.72
		120 gal paint pkg	
C. STATIONERY and PROMO PACKAGE (pg. 9)			\$802.15
D. POS RETAIL PACKAGE incl. Installation (pg 10)			\$13,709.00
E. RETAIL Wall Display Products			\$1,144.26
F. SIGN PACKAGE (pg. 11)		\$11,205.94	
Deletions to Sign Pkg: (Refer to Sign Pkg for itemized deletions)		\$2,373.98	
TOTAL SIGN PACKAGE			\$8,831.96
G. COMPUTER PACKAGE (pg. 12)			\$4,328.50
H. AIR QUALITY PERMIT APPLICATION FEES & FEDERAL REG., 40CFR63 SUBPART 6H			\$2,135.00
CMI / Air	\$1,995.00	CMI / Federal	\$140.00
CMI / Air engineering fees does not incl application fees			
TOTAL INITIAL PACKAGE (Sales Tax not included)			\$185,430.23

THIS PACKAGE IS NOT APPROVED UNTIL SIGNED BY Operations

EQUIPMENT PACKAGE					
QTY	DESCRIPTION	Vendor Item #	Vendor / Supplier	UNIT PRICE	TOTAL
1	GFS Auto Paint Booth 27' Drive Thru	VTXMP-271409DTP-3	GFS	\$31,805.00	\$31,805.00
1	GFS Convection Cure Oven	VTMP-241409DTP-3	GFS	\$20,282.00	\$20,282.00
1	Assorted Spray Equipment (itemized list attached - page 4)		Medco	\$5,447.49	\$5,447.49
2	Rotary Screw Air Compressors - 15HP	GX11-FF	Atlas Copco	\$6,289.00	\$12,578.00
1	Fire Suppression Sys. (Paint booth)		Amerex	\$4,711.46	\$4,711.46
1	Wet / Dry Vacuum	SPV-9551800	Medco	\$153.00	\$153.00
3	Portable Maskers	AST-ASMS-2	Medco	\$52.49	\$157.47
2	36" Wall Mount Masker	KEY78009	Medco	\$59.18	\$118.36
1	Electric Polisher	DWT-DW849	Medco	\$160.00	\$160.00
2	3/16 Orbital Vac Sander (DA)	DYN21036H	Medco	\$200.86	\$401.72
3	3/8 Sander (DA)	DYN21016H	Medco	\$200.05	\$600.15
6	Dusting Gun	LEG-AG1200KIT	Medco	\$35.33	\$211.98
1	3 Ton Floor Jack	ATD-7331A	Medco	\$176.56	\$176.56
2	6 Ton Car Stands	ATD-7446	Medco	\$30.67	\$61.34
1	Mig Welder (110V)	K2697-1	Medco	\$565.00	\$565.00
1	Welder Cart	K520	Medco	\$200.00	\$200.00
4	50' Extension Cord	ATD-8003	Medco	\$15.71	\$62.84
2	25' Drop Light	ATD80075	Medco	\$12.34	\$24.68
7	Repair Order Racks	TRU 210-R	Medco	\$56.00	\$392.00
7	Paint Room Shelving Unit 18x36x85	7E345	Grainger	\$106.61	\$746.27
1	Filter & CO2 Monitor (Air Respirator)	SAS2001-00	Medco	\$639.86	\$639.86
1	Full Face Mask	SAS-9814-06	Medco	\$158.49	\$158.49
1	Electrical Package (itemized list attached - page 5)		Grainger	\$121.26	\$121.26
1	Battery Jumper 1700	KKC-600	Medco	\$125.96	\$125.96
1	Office Supply Package (itemized list attached - page 6)		Staples	\$1,148.73	\$1,148.73
1	Hardware Supply Package (itemized list attached - page 7)		Grainger / Medco	\$2,253.33	\$2,253.33
1	Power Washer Electric Cold Water	K2017	Dirt Killer	\$1,095.00	\$1,095.00
1	Stinger Plus Stud Gun	UNI-5500	Medco	\$312.01	\$312.01
1	Welding Studs 550/BX	UNI 1001	Medco	\$8.17	\$8.17

EQUIPMENT PACKAGE					
QTY	DESCRIPTION	Model#		UNIT PRICE	TOTAL
2	Portable Infrared Heat Lamp	INF14-1000	Medco	\$132.86	\$265.72
1	BT10 Bumper Stand	TIM-BT-10	Medco	\$216.47	\$216.47
1	Stainless Wire	TIM-SW01	Medco	\$ 10.59	\$10.59
1	Parts Super Stand	AST-7300	Medco	\$141.97	\$141.97
1	Eye Wash Station	SAS 5135	Medco	\$144.83	\$144.83
1	Eyewash Additive	SAS 5136	Medco	\$7.15	\$7.15
2	5GL Pail Pump	AES 745	Medco	\$12.09	\$24.18
2	Fender Stand (1000 lb)	ATD- 7800	Medco	\$31.94	\$63.88
4	HD Utility Cart	ATD- 7016	Medco	\$50.43	\$201.72
1	Pinstripe Removal Kit w/Tool	AST-32	Medco	\$109.57	\$109.57
1	Solvent Recycler	M-2	Persyst Ent.	\$2,792.00	\$2,792.00
Total Equipment Package					\$88,696.21

Equipment Package

10/16/2014

\$83,349.57

Additions to Equipment Package

\$5,346.64

Total Adjusted Equipment Package

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

(Total package price in Equipment Package)					
<u>QTY</u>	<u>DESCRIPTION</u>	<u>Vendor Item #</u>	<u>Vendor / Supplier</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	CT PLUS Desiccant Air Dryer	DEV130522	Medco	\$475.00	\$475.00
2	FLG-671 Finishline Waterborne HVLP Kit	DEV-FLG671	Medco	\$161.21	\$322.42
3	Tekna Prolite 1.2,1.3,1.4 Alum	TEK703566	Medco	\$378.95	\$1,136.85
14	H-2008 Nipple	H-2008	Medco	\$ 4.01	\$56.14
1	HA-5850 50' Air Hose w/Connections	HA-5850	Medco	\$76.83	\$76.83
14	HA-5867 35' Air Hose w/Connections	HA-5867	Medco	\$76.83	\$1,075.62
7	HAR-600 Air Regulator	HAR-600	Medco	\$81.78	\$572.46
2	HAV-501 Air Valve w/Gauge	HAV-501	Medco	\$21.13	\$42.26
36	HC-1166 Quick Disconnect Stem	HC-1166	Medco	\$4.34	\$156.24
30	HC-4419 Quick Disconnect Stem	HC-4419	Medco	\$5.74	\$172.20
21	HC-4719 Quick Disconnect Air connection	HC-4719	Medco	\$15.36	\$322.56
14	HC-4720 Quick Disconnect	HC-4720	Medco	\$15.82	\$221.48
12	P-HC-4528 Air Hose Connection	P-HC-4528	Medco	\$5.74	\$68.88
2	WR-103 Spray Gun Wrench	WR-103	Medco	\$10.58	\$21.16
2	13-0042 Filter-Regulator Assembly	DEV130042	Medco	\$170.90	\$341.80
1	192212 Spray Gun Cleaning Kit	DEV 192212	Medco	\$40.30	\$40.30
2	3M37078 Respirator - Medium	3M37078	Medco	\$31.66	\$63.32
4	3M7046 Cartridge 2/pk	3M7046	Medco	\$7.26	\$29.04
2	3M7194 P95 Filter 10/bx	3M7194	Medco	\$12.63	\$25.26
1	Starter Kit	DEV-DPC650	Medco	\$124.36	\$124.36
1	DeKup Disp Cup & Lid	DEV-DPC600	Medco	\$49.70	\$49.70
1	DeKup ResueSleeve& Lid 34OZ	DEV- DPC608	Medco	\$10.43	\$10.43
1	Univ Measure Guide 34OZ	DEV- DPC-61-K10	Medco	\$9.68	\$9.68
2	Adapter - Finishline	DEV - DPC31	Medco	\$ 6.70	\$13.40
3	Adapter DeVilbiss / Binks	DEV - DPC43	Medco	\$ 6.70	\$20.10

Total Spray Equipment Package

\$5,447.49

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

<u>ELECTRICAL PACKAGE</u>					
(Total package price is in Equipment Package)					
<u>QTY</u>	<u>DESCRIPTION</u>	<u>Vendor Item #</u>	<u>Vendor</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
6	No Smoking Signs	1VC91	Grainger	\$2.75	\$16.50
12	Hose Hangers	4HDW2	Grainger	\$8.73	\$104.76
	These items below are to be supplied by the GC or Electrician - reference MAACO Legend note #6				
	2 Bronze Flexible Coupling (connections for paint mixers)			est. for two \$446	
	2 FXS Tumbler Switch (connections for paint mixers)			est. for two \$397	

Total Electrical Package

\$121.26

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

OFFICE SUPPLY PACKAGE

(Total package price is in Equipment Package)

QTY	UNIT	DESCRIPTION	Vendor Item #	Vendor	UNIT PRICE	TOTAL
2	CT	Guest Chairs - Bonded Leather, Black	355932	Staples	\$129.00	\$258.00
1	EA	Legal File Cabinet 4 Drawer w/Lock	HON514CPP	Staples	\$493.65	\$493.65
1	EA	Adding Machine w/Paper Receipt	600516	Staples	\$23.50	\$23.50
3	RL	Adding Machine Tape	531178	Staples	\$1.42	\$4.26
12	EA	Clipboard Legal	182477	Staples	\$2.60	\$31.20
1	EA	Petty Cash Box w/Lock	914939	Staples	\$20.76	\$20.76
1	PK	Petty Cash Receipt Pad - Pk/12	377685	Staples	\$11.91	\$11.91
3	EA	Wall File Pocket Legal	514398	Staples	\$7.45	\$22.35
4	BX	Hanging Folder Legal - Bx/25	116830	Staples	\$9.04	\$36.16
3	PK	Key Tag Paper Ring - Pk/50	146746	Staples	\$7.70	\$23.10
1	BX	Felt Tip Pen Sharpie Red - Bx/12	490349	Staples	\$14.91	\$14.91
1	BX	Felt Tip Pen Sharpie Black - Bx/12	490351	Staples	\$14.91	\$14.91
2	EA	Magic Marker Wide Black	500850	Staples	\$1.47	\$2.94
1	DZ	Hi-Liters Yellow	104869	Staples	\$2.68	\$2.68
1	EA	Expanding File A - Z Legal	119115	Staples	\$10.79	\$10.79
1	EA	Expanding File 1-31 Legal	333450	Staples	\$15.45	\$15.45
3	EA	Wastepaper Can	540526	Staples	\$6.19	\$18.57
2	EA	Calculator	333583	Staples	\$8.08	\$16.16
1	EA	Manilla folders -100 pk	116723	Staples	\$11.90	\$11.90
1	DZ	China Marker Yellow	500090	Staples	\$11.03	\$11.03
1	DZ	China Marker Black	271155	Staples	\$8.47	\$8.47
6	EA	Brochure Holders	474445	Staples	\$3.49	\$20.94
1	EA	Stapler	SWI 09901	Staples	\$14.29	\$14.29
1	EA	Step Stool	11014	Staples	25.81	25.81

Total Office Supply Package

\$1,148.73

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

HARDWARE PACKAGE						
(Total package price is in Equipment Package)						
QTY	UNIT	DESCRIPTION	Vendor Item#	Vendor	UNIT PRICE	TOTAL
1	EA	Cleaning Parts Brush	20Y118	Grainger	\$6.79	\$6.79
1	EA	8' Step Ladder	1CMT4	Grainger	\$73.91	\$73.91
2	EA	36" Dust Mop kit	1TZE1	Grainger	\$20.42	\$40.84
2	EA	75' Garden Hose	20L433	Grainger	\$32.30	\$64.60
5	EA	6' x 2' Workbench	1W888	Grainger	\$120.17	\$600.85
2	PR	Chemical Resistant Gloves (3AC75)	3AC75	Grainger	\$7.61	\$15.22
1	EA	Chemical Resistant Apron	3BU46	Grainger	\$2.73	\$2.73
3	EA	36" Broom - Soft Bristle	3U767	Grainger	\$12.33	\$36.99
2	EA	36" Broom - Hard Bristle	3U772	Grainger	\$14.63	\$29.26
5	EA	Broom Handles	1A839	Grainger	\$4.19	\$20.95
1	EA	Wet Mop	16W219	Grainger	\$6.77	\$6.77
1	EA	Wet Mop handle	1TZB1	Grainger	\$12.52	\$12.52
1	EA	Shovel, Short Handle, Square Mouth (3ZC23)	3ZC23	Grainger	\$21.38	\$21.38
1	EA	First Aid Kit (20 Person)	4EY88	Grainger	\$17.72	\$17.72
1	EA	Welding Helmet (4T542)	4T542	Grainger	\$31.29	\$31.29
1	PR	Welding Gloves	5T184	Grainger	\$9.37	\$9.37
2	EA	3" Putty Knife (4YP31)	4YP31	Grainger	\$5.49	\$10.98
1	EA	Bench Vise - Medium (4YP27)	4YP27	Grainger	\$53.42	\$53.42
1	EA	Mig Welder Spiral Tip Cleaner	2CYX5	Grainger	\$5.88	\$5.88
1	EA	Flame Retardant Apron	6NB99	Grainger	\$13.26	\$13.26
1	EA	Sponge	5LG18	Grainger	\$1.75	\$1.75
1	EA	Mop Bucket & Wringer	5NY79	Grainger	\$64.77	\$64.77
6	EA	32 gal Plastic Trash Can	35ZU66	Grainger	\$28.58	\$171.48
6	EA	32 gal Plastic Trash Lid	35ZU76	Grainger	\$9.00	\$54.00
1	EA	Steel Trash Can	2PYW6	Grainger	\$15.75	\$15.75
1	EA	Steel Trash Can Lid	2PYX3	Grainger	\$6.30	\$6.30
1	EA	Cutting Shears 3 pack	9205	Grainger	\$12.78	\$12.78
1	EA	Welding Blanket 30 OZ (3M-5919)	3M-5919	Medco	\$168.69	\$168.69
1	EA	Pliers	ATD-823	Medco	\$2.71	\$2.71
1	EA	Vise Grip	VSG-10WR	Medco	\$7.36	\$7.36
1	EA	Adjustable Wrench - Small	ATD-426	Medco	\$2.61	\$2.61
1	EA	Adjustable Wrench - Large	ATD-428	Medco	\$5.22	\$5.22
1	EA	47 pc 3/8 Socket Set Standard & Metric	ATD-1245	Medco	\$45.88	\$45.88
2	EA	Metal Standard Nozzle	ATD 9101	Medco	\$6.74	\$13.48
1	EA	90 Pc Torx Driver Set	ATD-549	Medco	\$10.82	\$10.82
1	EA	Screw Driver Set Standard & Philips	ATD 6265	Medco	\$6.27	\$6.27
1	EA	1/4 Heavy Duty Hand Riveter	SGT-19800	Medco	\$25.69	\$25.69
2	EA	Razor Blade Scraper	LIS-52000	Medco	\$6.20	\$12.40
2	EA	Windshield Wiper Removal Tool	LIS-65750	Medco	\$2.84	\$5.68
1	EA	Drum Pump	AES716	Medco	\$20.26	\$20.26
25	EA	4.5 Qt Bucket System	EMX70165-00	Medco	\$1.31	\$32.75
6	EA	Camel Sword Stripper (touch up brush)	MAC00	Medco	\$37.80	\$226.80
1	BX	Ear Plugs	SAS6100	Medco	\$18.85	\$18.85
6	EA	Safety Glasses	SAS5120	Medco	\$1.69	\$10.14
2	BX	Mirror Maskers	RBL165	Medco	\$12.12	\$24.24
2	EA	Chamois	HWP-JPI	Medco	\$8.13	\$16.26
1	QT	Air Tool Oil	MVL-85	Medco	\$4.62	\$4.62
6	EA	Pump & Spray Bottle	USC70305	Medco	\$31.84	\$191.04

Total Hardware Package

\$2,253.33

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

INVENTORY - SUPPLY PACKAGE (Associated Products)

The associated products package is for 2 weeks of inventory - An itemized list of the associated products will be supplied by the vendor.

** Associated Products such as sandpaper, masking paper, etc

Total Supply Package (Associated Products)	<u>\$5,522.15</u>
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PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX
PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

<u>STATIONERY AND PROMO PACKAGE</u>					
<u>QTY</u>	<u>UNIT</u>	<u>PROMOTIONAL ITEMS</u>	<u>Vendor</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
300	EA	Customized MAACO Pens	Source 4	\$0.50	\$150.00
12	EA	MAACO Mug	Source 4	\$1.55	\$18.60
1	EA	Grand Opening Banner	Source 4	\$95.00	\$95.00
1	EA	Counter Display	Source 4	\$4.60	\$4.60
1	EA	Maaco Clock	Source 4	\$18.41	\$18.41
500	EA	"\$50 Off" coupon card with local center info	Source 4	\$0.10	\$51.88
100	EA	"10% Off" Fleet Discount Flyers	Source 4	\$1.36	\$136.02
100	EA	"We Paint Anything" Brochures	Source 4	\$0.69	\$69.06
		<u>PRINTED MATERIAL</u>			
1	PK	Franchise Fee Credit Request	Source 4	\$0.00	\$0.00
1	EA	Appointment Pad	Source 4	\$12.28	\$12.28
1	PK	Mirror Tags	Source 4	\$24.60	\$24.60
		<u>IMPRINTED STATIONERY</u>			
1	BX	#10 Envelopes Bx / 1000	Source 4	\$56.70	\$56.70
2	BX	Business Cards Bx / 500	Source 4	\$29.40	\$58.80
1	BX	Letterhead Bx / 1000	Source 4	\$72.20	\$72.20
1	BX	Business Cards Bx / 1000	Source 4	\$34.00	\$34.00
Total Stationery & Promo Package					\$802.15

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX
PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

POINT-OF-SALE RETAIL PACKAGE

<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>Vendor Item #</u>	<u>Vendor</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
2	Each	POS Kiosk incl power pole, monitor swivel bracket & overhead sign	25MAACPOS	Milford	\$1,685.00	\$3,370.00
1	Each	Retail Wall w/ graphics & shelves (48" wide)	25MAACRWD	Milford	\$1,473.00	\$1,473.00
1	Each	Hospitality / Coffee Station	25MAACCS	Milford	\$383.00	\$383.00
6	Each	POS stools	25MAACSTL	Milford	\$159.00	\$954.00
1	Set	Graphics (set of 3)	25MAAC24X36GR	Milford	\$379.00	\$379.00
1	Each	Standard Color wall - 192" w x 96" h x 11" d	25MAACCFW	Milford	\$4,150.00	\$4,150.00
1		Installation by Milford	25MAAINSTALL	Milford	\$1,500.00	\$1,500.00
1		Estimated freight		Milford	\$1,500.00	\$1,500.00
						\$0.00

Total POS Package

\$13,709.00

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

6/11/14 removed waiting chairs - not available from Milford at this time. Customer chairs see Office Supply Tab

Items Purchased By Franchise Owner

<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION</u>	<u>Vendor Item #</u>	<u>Vendor</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
0	EA	Refrigerator (3.3 cu. Ft.) - for Hospitality Station	Frigidaire - BFPH33M4LM	Best Buy	\$190.00	\$0.00
0	EA	TV- 50" or equivalent - for Color wall	VISIO - E5001-A1	Best Buy	\$659.00	\$0.00
0	EA	iPad 16G Wi-Fi - for Color wall			\$399.00	\$0.00

Total Items purchased by Owner

\$0.00

MAACO RETAIL PRODUCTS OPEN ORDER

QTY	UNIT	PER CASE	DESCRIPTION	Size	Product Type	Each	Per Case	TOTAL
1	CS	12	MAG & ALUMINUM POLISH	5 oz.	Silicone Free	\$5.34	\$64.08	\$64.08
1	CS	6	POWERBALL MINI® WITH EXTENSION			\$22.99	\$137.94	\$137.94
1	CS	6	POWERCONE®			\$23.70	\$142.20	\$142.20
1	CS	6	CALIFORNIA GOLD® CHROME POLISH	12 oz.	Silicone Free	\$4.22	\$25.32	\$25.32
1	CS	6	CARPET & UPHOLSTERY CLEANER	24 oz.	Silicone Free	\$6.21	\$37.26	\$37.26
2	CS	6	CALIFORNIA GOLD® Brazilian Carnauba Cleaner Wax-Paste	12 oz.	Body Shop Safe	\$15.26	\$91.56	\$183.12
1	CS	6	CALIFORNIA GOLD® CAR WASH	16 oz.	Silicone Free	\$4.41	\$26.46	\$26.46
1	CS	6	CALIFORNIA GOLD® Brazilian Carnauba Cleaner Wax-Liquid	16 oz.	Body Shop Safe	\$6.07	\$36.42	\$36.42
2	CS	6	CALIFORNIA GOLD® SYNTHETIC WAX-Liquid	16 oz.	Body Shop Safe	\$6.13	\$36.78	\$73.56
2	CS	6	CALIFORNIA GOLD® SPRAY WAX	24 oz.	Body Shop Safe	\$6.75	\$40.50	\$81.00
2	CS	6	FOAMING WHEEL & TIRE CLEANER	24 oz.	Silicone Free	\$5.03	\$30.18	\$60.36
1	CS	6	VLR - VINYL•LEATHER•RUBBER CARE	24 oz.	Silicone Free	\$6.13	\$36.78	\$36.78
1	CS	6	GLASS CLEANER	24 oz.	Silicone Free	\$4.45	\$26.70	\$26.70
1	CS	6	CALIFORNIA GOLD® WATER SPOT REMOVER FOR GLASS	12 oz.	Silicone Free	\$6.32	\$37.92	\$37.92
1	CS	6	CALIFORNIA GOLD® CLAY BAR SYSTEM		Body Shop Safe	\$18.67	\$112.02	\$112.02
2	CS	6	CALIFORNIA GOLD® SHOWTIME® INSTANT DETAILER	16 oz.	Body Shop Safe	\$5.26	\$31.56	\$63.12

9/22:

Total Retail Product (for Retail Wall Display / POS)

\$1,144.26

<u>SIGN PACKAGE (Exterior & Interior)</u>				
QTY	DESCRIPTION	Vendor	UNIT PRICE	TOTAL PRICE
	<u>Exterior Signage</u>			
1	4' x 12' Outdoor Illuminated Sign (2) Sign faces, (1) Housing	NW Signs	\$3,040.00	\$3,040.00
	Installation by FO / Local Sign Co			
1	Est Freight		\$450.00	\$450.00
1	3½' x 12' Illuminated Wall Sign - Cloud Sign	NW Signs	\$2,091.00	\$2,091.00
	Installation by FO / Local Sign Co			
1	Est Freight		\$450.00	\$450.00
1	Set of 15" America's Bodyshop lettering	NW Signs	\$960.00	\$960.00
	letters in BLUE or WHITE			
	Installation by FO / Local Sign Co			
1	Est Freight		\$450.00	\$450.00
	Survey (NW \$400 for survey)	by FO / Local Sign Co		
	Permit Cost	by FO / Local Sign Co		
	Total NW Sign Package			\$7,441.00
	<u>Additional Exterior / Interior Signage</u>			
1	Accident Sign- Exterior	ProSigns	\$52.75	\$52.75
1	Customer Entrance Sign - Exterior	ProSigns	\$40.75	\$40.75
1	No Checks Sign - Interior	ProSigns	\$34.75	\$34.75
1	Curb Sign w/3 Sets of Signs - Exterior		\$567.80	\$567.80
Consists of:	Black windmaster frame (MDI - \$282.20)	MDI		
	2) Paint Service Sign (Source 4 \$ 53.10 each)	Source 4		
	2) Free Estimates (Source 4 \$ 53.10 each)	Source 4		
	2) Half Price Sign (Source 4 \$ 53.10 each)	Source 4		
	Total Exterior Package			\$8,153.55
	<u>Interior Signage</u>			
0.2	Merchandising Board Package	VGS	\$3,010.03	\$602.01
	Consists of:			
	1	Platinum Package Board		
	11	Procedure Boards		
	7	Maintenance Boards		
	1 set	Pricing Magnets		
1	Merchandising Accessory Package	SOURCE 4		
	Consists of:			
	0	Packs Paint Services Brochures	\$8.57	\$0.00
	0	Packs Spot Repair Brochure	\$1.09	\$0.00
	4	Packs Thank You Brochures	\$13.55	\$54.20
	1	Decal	\$14.10	\$14.10
	2	Warranty Brochures	\$4.05	\$8.10
	Total Accessory Package			\$76.40
Total Sign Package				\$8,831.96

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX

PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

<u>COMPUTER PACKAGE</u>			
<u>QTY</u>	<u>HARDWARE DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
3	Lenovo ThinkCentre Client,Core i3-3220, 4GB RAM, 500 GB Hard Drive, DVD-Writer, Integrated NIC, Windows 7 Professional w/ 19" Monitor and 3 Year NBD Hardware Warranty *Includes Mouse and Keyboard	\$830.00	\$2,490.00
1	Netgear Prosafe FVS318	\$158.75	\$158.75
2	HP LaserJet Pro 400 M401N Laser Printer 2 tray	\$340.00	\$680.00
1	Optional - HP Laserjet Optional 3rd Paper Tray	\$152.75	\$152.75
2	Optional - 3 year Extended Warranty for HP Laserjet M401N (4 Years Total)	\$80.00	\$160.00
2	USB Printer Cable, 10 ft	\$3.25	\$6.50
3	APC Backup UPS 650VA	\$95.00	\$285.00
2	Category 5e Cable, 25 ft	\$5.50	\$11.00
1	Category 5e Cable, 50 ft	\$8.00	\$8.00
1	Seagate 500GB External Hard Drive	\$76.50	\$76.50
3	System Configuration/setup/incoming freight/handling	\$100.00	\$300.00
Total Computer Hardware Package			\$4,328.50

PRICING DOES NOT INCLUDE FREIGHT, STORAGE, RIGGING, INSTALLATION OR TAX
PRICING IS SUBJECT TO MANUFACTURER'S PRICE INCREASE

EXHIBIT E

AMENDMENT TO FRANCHISE AGREEMENT (TRANSFER)

CENTER NUMBER: _____

**MAACO FRANCHISOR SPV LLC
AMENDMENT TO FRANCHISE AGREEMENT
(TRANSFER)**

THIS AMENDMENT TO FRANCHISE AGREEMENT (“Amendment”) is made and entered into this _____ day of _____, _____, by and between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal office in Charlotte, North Carolina (“MAACO”), and _____ (collectively, “Franchisee”).

BACKGROUND

A. Franchisee and MAACO executed a Franchise Agreement dated _____, _____ (the “Franchise Agreement”) related to the establishment, development, and operation of a Maaco Collision Repair & Auto Painting Center located at _____, within _____ Core Based Statistical Area as defined as of the date of this Agreement by the Office of Management and Budget (the “Center”).

B. Under the Franchise Agreement, the term and the franchise begin when Franchisee’s Center opens for business as determined by MAACO.

C. Franchisee has entered into a _____ dated _____ with _____ (“Transferor”) under which Franchisee agreed to purchase the assets of Transferor’s existing Maaco Collision Repair & Auto Painting Center.

D. Franchisee has requested, and MAACO has agreed, that pursuant to the terms of this Amendment, the Franchise Agreement be amended as it relates to Franchisee’s purchase of the Center.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. The Franchise Agreement is amended to clarify certain terms and conditions of the Franchise Agreement which are applicable to Franchisee’s purchase of the Center:

(A) The fifteen (15) year term of the Franchise Agreement will commence on the date MAACO recognizes the transfer of the Center from Transferor to Franchisee.

(B) The address of the Center is _____.

(C) Paragraph 4B regarding opening promotion and initial advertising of the

Center is deleted in its entirety.

(D) Paragraph 5A(1) regarding initial franchise fee is amended to substitute the following language in lieu of the original language:

An initial franchise fee in the amount of \$_____ which, when paid to MAACO, shall be deemed fully earned and non-refundable, except as noted herein.

(E) Paragraph 5A(2) regarding initial software license fee is amended to substitute the following language in lieu of the original language:

Franchisee will sign any software license agreements MAACO requires, and pay all fees associated therewith, as MAACO may require from time to time.

(F) Paragraph 6A regarding the initial advertising contribution is amended to substitute the following language in lieu of the original language:

Franchisee will pay to MAACO an initial advertising contribution in the amount of \$_____, payable upon Franchisee's arrival at the initial training program, for pre-opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed Franchisee's initial advertising contribution.

(G) The notice address for Franchisee in Paragraph 22B is amended as follows:

2. This Amendment is intended to modify certain terms and conditions contained in the Franchise Agreement. This Amendment is an integral part of the Franchise Agreement and the terms of this Amendment shall be controlling with respect to the subject matter contained in this Amendment. This Amendment may not be amended, changed, revised or altered, except by a written instrument signed by the parties.

3. The Franchise Agreement, all attachments thereto, if any, and this Amendment, constitute the entire, full and complete Agreement between MAACO and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No other representations having induced Franchisee to execute the Franchise Agreement or this Amendment. No representations, inducements, promises or agreements, oral or otherwise not embodied in the Franchise Agreement or attachments thereto, or this Amendment (unless of subsequent date), were made by either party and none shall be of any force or effect with reference to the Franchise Agreement, this Amendment or otherwise. Except as otherwise described herein, all other terms and conditions in the Franchise Agreement are hereby ratified and confirmed. In the event of any conflict between the terms of this Amendment and the Franchise Agreement, the terms of this Amendment shall control.

I HAVE READ THE ABOVE AMENDMENT AND UNDERSTAND ITS TERMS.

I WOULD NOT SIGN THIS AMENDMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Amendment as of the date first written above.

Maaco Franchisor SPV LLC

By: _____
Authorized Representative

Franchisee

EXHIBIT F

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

#_____

**MAACO FRANCHISOR SPV LLC
RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

THIS RENEWAL ADDENDUM TO FRANCHISE AGREEMENT (the “Addendum”) is made effective as of the _____ day of _____ between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal office at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”) and _____ (collectively, “Franchisee”).

WITNESSETH:

A. Franchisee and MAACO entered into a franchise agreement dated _____ and identified by MAACO as contract number _____ (the “Prior Franchise Agreement”) under which Franchisee was granted the right and undertook the obligation to operate a Maaco Auto Painting and Bodyworks Center at _____ for a term of fifteen (15) years.

B. Pursuant to its terms, the Prior Franchise Agreement will expire on _____ unless Franchisee elects to renew the franchise as therein provided.

C. Franchisee has requested, and MAACO has agreed, that the franchise shall be renewed pursuant to the terms of this Addendum, the Prior Franchise Agreement and MAACO’s current Franchise Agreement.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. The following paragraphs contained in the Franchise Agreement shall be amended to clarify certain terms and conditions of the Franchise Agreement in connection with the renewal of Franchisee’s franchise:

- A. Paragraphs 2A, 2B, 2D, 2E, 2F, and 2G regarding “Selection Of Site” shall be deleted.
- B. Paragraph 3B is amended to provide that Franchisee has no option to renew the franchise for an additional term. If MAACO elects to offer Franchisee the option to renew the franchise for an additional term, Franchisee must meet MAACO’s then-current renewal conditions which may include the conditions described in Section 3B through 3F of the Franchise Agreement.

C. Paragraph 4A regarding “training” is amended as follows:

MAACO shall make available training programs as it deems appropriate. All training shall be at such times and places as may be designated by MAACO.

D. Paragraph 4B regarding “opening promotion and initial advertising” is deleted in its entirety.

E. Paragraph 4C is amended as follows:

MAACO shall provide continuing advisory assistance in the operation of the Center as it deems appropriate.

F. Paragraph 5A(1) regarding “initial franchise fee” is deleted in its entirety and replaced with the following:

Franchisee shall pay MAACO a renewal fee equal to \$_____.

G. The first sentence of paragraph 5A(2) regarding “initial software license fee” is deleted in its entirety.

H. Paragraph 5A(3) regarding “initial training and opening fee” is deleted in its entirety.

I. Paragraph 6A regarding “initial advertising contribution” is deleted in its entirety.

J. Paragraph 7B regarding “initial training program” is deleted in its entirety.

K. Paragraph 12D is amended as follows:

Franchisee shall submit to MAACO, for review and auditing, such other forms, reports, records, information and data as MAACO may reasonably request, including the Center’s income tax returns. In the event Franchisee is in default under the Franchise Agreement or MAACO has an audit made of Franchisee books and records, Franchisee shall, upon MAACO’s request, submit to MAACO, the personal tax returns of Franchisee (or if Franchisee is an entity, Franchisee’s owners).

2. This Addendum is intended to modify certain terms and conditions contained in the Franchise Agreement. This Addendum is an integral part of the Franchise Agreement and the terms of this Addendum shall be controlling with respect to the subject matter contained in this Addendum. This Addendum may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

3. The Franchise Agreement, all attachments thereto, if any, and this Addendum, constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No other representations having induced Franchisee to execute the Franchise Agreement or this Addendum. No representations, inducements, promises or agreements, oral or otherwise, not embodied in the Franchise Agreement, or attached thereto, or this Addendum (unless of subsequent date), were made by either party and none shall be of any force or effect with reference to the Franchise Agreement, or this Addendum or otherwise. Except as amended hereby, all other terms and conditions of the Franchise Agreement are unmodified and confirmed.

**I HAVE READ THE ABOVE ADDENDUM AND UNDERSTAND ITS TERMS. I
WOULD NOT SIGN THIS ADDENDUM IF I DID NOT UNDERSTAND AND AGREE
TO BE BOUND BY ITS TERMS.**

Intending to be legally bound, the parties execute this Addendum as of the date first written above.

MAACO FRANCHISOR SPV LLC

FRANCHISEE:

By: _____

EXHIBIT G

ADDENDUM TO FRANCHISE AGREEMENT
(ADDITIONAL CENTER)

**MAACO FRANCHISOR SPV LLC
ADDENDUM TO FRANCHISE AGREEMENT
(ADDITIONAL CENTER)**

THIS ADDENDUM TO FRANCHISE AGREEMENT (ADDITIONAL CENTER)
(the “Addendum”) is made and entered into this _____ day of _____
between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal
office at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”) and
_____ (“Franchisee”).

WITNESSETH:

- A. Franchisee is an existing franchisee in good standing with MAACO.
- B. Franchisee and MAACO entered into a new franchise agreement dated _____ (the “Franchise Agreement”) under which Franchisee was granted the right and franchise to operate a Maaco Collision Repair & Auto Painting Center pursuant to the terms specified therein.
- C. Existing franchisees who purchase additional franchises are entitled to a reduction of the initial franchisee fee due under MAACO’s franchise agreement.
- D. The initial franchise fee due under the Franchise Agreement shall be amended pursuant to the terms of this Addendum.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

- 1. The following paragraphs contained in the Franchise Agreement shall be amended to clarify certain terms and conditions of the Franchise Agreement:

- A. Paragraph 2B shall be amended as follows:

Franchisee shall secure a site for the Center by lease or purchase within eighteen (18) months from the date of execution of this Agreement. Franchisee may, on or before the expiration of such eighteen (18) month period, request a reasonable extension of time in order to continue its efforts to secure a lease or purchase agreement for the site. In the event Franchisee fails to secure a site within eighteen (18) months from execution of this Agreement (or the date approved extension), MAACO shall have, at any time thereafter, the right to terminate this Agreement upon written notice to Franchisee.

B. Paragraph 2E shall be deleted in its entirety.

C. Paragraph 5A(1) shall be amended as follows:

An initial franchise fee of _____ Thousand Dollars (\$_____) which, when paid to MAACO, shall be deemed fully earned and non-refundable except as noted herein, shall be payable upon execution of this Agreement.

D. Paragraph 6A shall be amended as follows:

Franchisee shall pay to MAACO an initial advertising contribution in the amount of Twenty Thousand Dollars (\$20,000) payable sixty (60) days before the opening date of the Center for pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Center and related activities. The actual cost may exceed Franchisee's initial advertising contribution, in which case MAACO will charge Franchisee the difference.

2. This Addendum is intended to modify certain terms and conditions contained in the Franchise Agreement. This Addendum is an integral part of the Franchise Agreement and the terms of this Addendum shall be controlling with respect to the subject matter contained in this Addendum. This Addendum may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

3. The Franchise Agreement, all attachments thereto, if any, and this Addendum, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No other representations having induced Franchisee to execute the Franchise Agreement or this Addendum. No representations, inducements, promises or agreements, oral or otherwise, not embodied in the Franchise Agreement, or attached thereto, or this Addendum (unless of subsequent date), were made by either party and none shall be of any force or effect with reference to the Franchise Agreement, or this Addendum or otherwise. Except as amended hereby, all other terms and conditions of this Franchise Agreement are unmodified and confirmed.

I HAVE READ THE ABOVE ADDENDUM AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS ADDENDUM IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Intending to be legally bound, the parties execute this Addendum as of the date first written above.

MAACO FRANCHISOR SPV LLC

FRANCHISEE:

By: _____

EXHIBIT H
COLLATERAL ASSIGNMENT OF LEASE AND CONSENT AND AGREEMENT OF
LESSOR

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor, under the Lease dated _____, _____ (the "Lease"), between Lessor and _____ (collectively, "Assignor"), hereby approves the attached Collateral Assignment of Lease (the "Collateral Assignment") between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal office at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("MAACO") and Assignor. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Lessor and MAACO agree as follows:

(a) Lessor shall notify MAACO in writing of any default by Assignor under the Lease as and when such defaults occur;

(b) Pursuant to the Collateral Assignment, if Assignor defaults in its obligations under the Lease or under its Franchise Agreement for a Maaco Collision Repair & Auto Painting Center (the "Franchise Agreement"), MAACO shall have the right, but not the obligation, and is empowered to take possession of the Premises demised by the Lease, and in this event, Assignor shall have no further right, title or interest in the Lease;

(c) MAACO may exercise its rights under the Collateral Assignment upon the occurrence of any of the following events: (i) Lessor's receipt of notice from MAACO that Assignor is in default of the Franchise Agreement and has failed to cure within the allotted time, or (ii) MAACO's receipt of any notice of default by Assignor under the Lease. If MAACO elects to exercise its rights under the Collateral Assignment, it shall, within thirty (30) days of MAACO's or Lessor's receipt of the applicable notice, as set forth above, notify Lessor of its intention to take possession of the Premises with no liability for any default of Assignor up to the point MAACO assumes the Lease;

(d) In the event MAACO exercises its rights under the Collateral Assignment, Lessor shall take all action necessary to retake the Premises and deliver them to MAACO. Such action shall include, without limitation, termination, eviction and related legal action and MAACO shall have no obligation under the Collateral Assignment until the Premises are lawfully tendered to it;

(e) If MAACO takes possession of the Premises and confirms to Lessor the assumption of the Lease by MAACO as Lessee, Lessor shall recognize MAACO as Lessee under the Lease;

(f) In addition to MAACO's rights under the Collateral Assignment, if MAACO purchases Assignor's business and/or assets of the business, Lessor agrees to recognize MAACO as Lessee under the Lease upon MAACO's written request;

(g) Lessor agrees that MAACO may, with Lessor's consent, which will not be unreasonably withheld, further assign the Lease to any person or entity which agrees to assume Lessee's obligations under the Lease, and after the assignment, MAACO shall have no further liability or obligation under the Lease;

(h) On termination or expiration of the Franchise Agreement or the Lease, MAACO

shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises including the removal of all articles which display MAACO's Proprietary Marks. MAACO's re-entry shall not be deemed as trespassing.

This Consent is incorporated into and made a part of the Lease. All terms capitalized, but not defined in this Consent, shall have the same meaning as in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Agreement of Lessor this ____ day of _____, ____.

Maaco Franchisor SPV LLC

By: _____

LESSOR:

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns to Maaco Franchisor SPV LLC, a Delaware limited liability company ("Assignee"), all of Assignor's right, title and interest as Lessee under that certain lease, a copy of which is attached (the "Lease"), respecting the premises located at _____ (the "Premises").

This Collateral Assignment of Lease (the "Collateral Assignment") is for collateral purposes only and except as specified, Assignee shall have no liability or obligation of any kind arising from or in connection with this Collateral Assignment or the Lease unless Assignee takes possession of the Premises and assumes the obligations of Assignor under the Lease. Assignor agrees to indemnify Assignee from all claims and demands made by any third party which arise out of or are in any manner related to Assignor's use and/or occupancy of the Premises.

Assignor represents and warrants to Assignee that it has full power and authority to assign its interest in the Lease.

If Assignor defaults under the Lease or under the Franchise Agreement for a Maaco Collision Repair & Auto Painting Center between Assignee and Assignor (the "Franchise Agreement"), which default is not cured within the allotted time, or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement which is not cured within the allotted time, Assignee shall have the right and is empowered to take possession of the Premises, have Assignor expelled and, in such event, Assignor shall have no further right, title or interest in the Lease. Assignor shall reimburse Assignee for the costs and expenses incurred in connection with any such retaking, including, but not limited to the payment of any back rent and other payments due under the Lease whether the payments are made by guaranty or separate agreement with Lessor or otherwise, attorneys' fees and expenses of litigation incurred in enforcing this Collateral Assignment, brokerage fees and commissions, costs incurred in reletting the Premises and putting the Premises in good working order and repair.

Assignor agrees that it will not permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. On failure of Assignor to so elect to extend or renew the Lease, Assignor appoints Assignee as its lawful attorney-in-fact to exercise such extension or renewal options in the stead of Assignor for the purpose of effecting the extension or renewal.

On termination or expiration of the Franchise Agreement or the Lease, MAACO shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises and to all articles which display MAACO's Proprietary Marks. MAACO's re-entry shall not be deemed as trespassing.

This Collateral Assignment is incorporated into and made a part of the Lease.

All terms capitalized, but not defined in this Collateral Assignment, shall have the same meaning as in the Lease.

I HAVE READ THE ABOVE COLLATERAL ASSIGNMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS COLLATERAL ASSIGNMENT IF I DID NOT UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties have executed this Collateral Assignment of Lease on the _____ day of _____, _____.

ASSIGNOR:

ASSIGNEE:

Maaco Franchisor SPV LLC

By: _____

EXHIBIT I

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the “Agreement”) is made and entered into this ____ day of _____, _____, by and among Maaco Franchisor SPV LLC, a Delaware limited liability company, with its principal office at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”) and _____ and _____, residents and citizens of the State of _____ (collectively “Assignor”) and _____, (“Assignee”), a(n) _____ owned and controlled by Assignor.

BACKGROUND

A. Assignor and MAACO entered into a certain Franchise Agreement dated _____, _____ (the “Franchise Agreement”) whereby Assignor was given the right and undertook the obligation to operate a Maaco Collision Repair & Auto Painting Center at _____ (the “Center”).

B. Assignor has organized Assignee for the convenience and purpose of owning and operating the Center.

C. Assignor desires to assign its rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement.

D. MAACO is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Agreement, including without limitation, Assignor’s agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignor hereby assigns and transfers over to Assignee all of its rights, title and interest in and to the Franchise Agreement, effective as of the date hereof.

2. Assignee hereby assumes all of Assignor’s obligations, agreements, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of

the Franchisee thereunder with the same force and effect as if the Franchise Agreement were originally written with Assignee as Franchisee.

3. Assignor agrees that it shall continue to be bound by all of the terms and conditions of the Franchise Agreement, including without limitation, the provisions contained in Paragraphs 14 and 18 thereof, and that nothing contained herein shall be deemed to relieve it of any of its obligations contained in the Franchise Agreement. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to MAACO (i) that Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement or any other agreement with MAACO or its affiliates concerning the operation of the Center, and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing MAACO and all damages that may arise as a result of any such non-compliance.

4. In the enforcement of any of its rights against Assignor, MAACO may proceed as if Assignor were the primary obligor under the Franchise Agreement. Assignor waives any right to require MAACO to first proceed against Assignee or to proceed against or exhaust any security (if any) held by MAACO or to pursue any other remedy available to it before proceeding against Assignor. No dealings between MAACO and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Assignor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, MAACO may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as MAACO may see fit without affecting, lessening or limiting in any way the liability of Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmance or disclaimer of this Agreement or the Franchise Agreement, Assignor shall continue to be fully liable.

5. This Agreement shall be construed and interpreted in accordance with the laws of the State of North Carolina, which laws shall control in the event of any conflict of law.

6. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

7. Assignor and Assignee agree that they have had a substantial relationship with MAACO at its corporate offices where MAACO's decision-making authority is vested and franchise operations are conducted and supervised. Therefore any action arising out of or relating to this Agreement shall be commenced, litigated and concluded only in a state or federal court of general jurisdiction in the county or district where MAACO's corporate offices are located. Assignor and Assignee irrevocably submit to the jurisdiction of such courts and irrevocably waive any objection they may have to either the jurisdiction or venue of such courts. Assignor and Assignee further irrevocably agree not to argue that any such court is an

inconvenient forum or to request transfer of any such action to any other court. MAACO however shall have the option of bringing any action to enforce the terms of this Agreement or to prevent any actual or threatened breach of this Agreement in any court of competent jurisdiction and the Assignor and Assignee consent to the entry of injunctive relief, including, without limitation, temporary restraining orders and/or preliminary and permanent injunctions without the requirement of bond, according to the usual equity rules in the jurisdiction in which such relief is sought.

8. This Agreement shall constitute the entire integrated agreement between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

9. In the event MAACO retains the services of legal counsel to enforce the terms of this Agreement, MAACO shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Agreement.

10. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Agreement.

11. Assignor acknowledges his authority to execute this Agreement on behalf of Assignee.

12. The obligations of Assignor and Assignee under this Agreement shall be joint and several.

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS.
I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE
TO BE BOUND BY ITS TERMS.**

[Signatures appear on following page.]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written.

MAACO FRANCHISOR SPV LLC

By: _____

ASSIGNOR:

ASSIGNEE:

By: _____

By: _____

EXHIBIT J

PERSONAL GUARANTY

THIS PERSONAL GUARANTY ("Guaranty") is made and entered into as of _____, _____ by and among Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal office located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("MAACO") and _____, a resident and citizen of the State of _____, ("Guarantor").

BACKGROUND

A. On _____, _____, _____, a(n) _____, ("Franchisee") and MAACO entered into a MAACO Franchise Agreement (the "Franchise Agreement") for the operation of a Maaco Collision Repair & Auto Painting Center located at _____ (the "Center").

B. On _____, _____, _____, Franchisee assigned its rights and obligations under the Franchise Agreement to _____ ("Assignee") pursuant to an Assignment and Assumption Agreement (Corporation) entered into between Franchisee, Assignee and MAACO.

C. Franchisee and Guarantor each own _____ percent (____ %) of the outstanding shares of stock of Assignee, and Guarantor owns _____ percent (____ %) of the outstanding shares of Assignee.

D. Pursuant to the terms of the Franchise Agreement, Guarantor shall jointly and severally guaranty all of Assignee's obligations under the Franchise Agreement pursuant to the terms of this Guaranty.

E. As a condition of and as an inducement to enter into the Franchise Agreement, Guarantor hereby agrees to unconditionally guaranty the performance of Franchisee in accordance with the terms and conditions of this Guaranty.

AGREEMENT

With the foregoing background incorporated by reference and in consideration of the mutual covenants contained in this Guaranty, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Guarantor confirms and acknowledges that it has reviewed the Franchise Agreement and understands and is familiar with all of the terms and conditions contained in the Franchise Agreement.

2. Guarantor agrees to be jointly and severally bound by all of the terms and conditions of the Franchise Agreement. Guarantor further agrees to guaranty and act as surety for the performance of all of Assignee's obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Guarantor, severally, irrevocably and unconditionally guarantees to MAACO: (i) that Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement or any other agreement with MAACO or its affiliates concerning the operation of the Center; and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Guarantor shall, upon demand, pay all amounts due and owing MAACO and all damages that may arise as a result of any such noncompliance.

3. In the enforcement of any of its rights against Guarantor, MAACO may proceed as if Guarantor were the primary obligor under the Franchise Agreement. Guarantor waives any right to require MAACO to first proceed against Assignee or to proceed against or exhaust any security (if any) held by MAACO or to pursue any other remedy available to it before proceeding against Guarantor. No dealings between MAACO and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Guarantor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, MAACO may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as MAACO may see fit without affecting, lessening or limiting in any way the liability of Guarantor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee, and notwithstanding any rejection, disaffirmation or disclaimer of this Guaranty or the Franchise Agreement, Guarantor shall continue to be fully liable.

4. This Guaranty shall be construed and interpreted in accordance with the laws of the State of North Carolina which laws shall control in the event of any conflict of law.

5. This Guaranty contains the entire integrated agreement by Guarantor regarding the subject matter contained in this Guaranty, and may not be modified, changed or amended without the written consent of Guarantor and MAACO.

6. This Guaranty shall be binding upon and inure to the benefit of MAACO's and Guarantor's heirs, successors and assigns.

7. Guarantor agrees that as a shareholder of and an active participant in Assignee, it will have a substantial relationship with MAACO at its corporate offices where MAACO's decision-making authority is vested and franchise operations are conducted and supervised. Therefore, any action arising out of or relating to this Guaranty shall be commenced, litigated and conducted only in any state or federal court of general jurisdiction in the county or district where MAACO'S corporate offices are located. Guarantor irrevocably submits to the jurisdiction of such court and irrevocably waives any objection it may have to either the jurisdiction or venue of such court. Guarantor further irrevocably agrees not to argue that any such court an inconvenient forum or to request transfer of any such action to any other court.

8. In the event that MAACO retains the services of legal counsel to enforce the terms of this Guaranty, MAACO shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Guaranty.

9. Guarantor declare that the terms of this Guaranty have been completely read and are fully understood and voluntarily accepted by Guarantor, after having a reasonable opportunity to retain and confer with counsel. This Guaranty is entered into after a full investigation by Guarantor, and Guarantor is not relying upon any statements or representations not contained in this Guaranty.

**I HAVE READ THE ABOVE GUARANTY AND UNDERSTAND ITS TERMS. I
WOULD NOT SIGN THIS GUARANTY IF I DID NOT UNDERSTAND AND AGREE
TO BE BOUND BY ITS TERMS.**

Maaco Franchisor SPV LLC

By:_____

EXHIBIT K

NEW FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, you and Maaco Franchisor SPV LLC ("MAACO") are preparing to enter into a Franchise Agreement for the operation of a Maaco Collision Repair & Auto Painting Center franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that MAACO has not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question by writing your initials next to the appropriate answer. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

- Yes ___ No ___ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?
- Yes ___ No ___ 2. Have you received and personally reviewed the MAACO Franchise Disclosure Document?
- Yes ___ No ___ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
- Yes ___ No ___ 4. Do you understand all of the information contained in both the Franchise Disclosure Document and Franchise Agreement?
- Yes ___ No ___ 5. Are you aware that you can discuss the Franchise Disclosure Document and Franchise Agreement as well as the benefits and risks of operating a franchise with your professional advisor?
- Yes ___ No ___ 6. Did you have the opportunity to discuss the benefits and risks of operating a franchise with existing franchisees?
- Yes ___ No ___ 7. Do you understand that: (i) it is your responsibility to make your Center profitable and to expand the local market for Maaco Collision Repair & Auto Painting services; (ii) your success is determined by your willingness to implement and follow MAACO's operating system, your skills, abilities and efforts as well as those of the persons you employ; and (iii) Maaco Centers require an intensely hands on, full time obligation, and you must be prepared to make this type of commitment.
- Yes ___ No ___ 8. Do you understand that the franchisee and majority investor in the franchise must satisfactorily complete the training course at headquarters before the Center will be allowed to open?
- Yes ___ No ___ 9. Is it true that no employee or other person, including brokers, speaking on behalf of MAACO made any statement or promise regarding the costs involved in operating a franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes ___ No ___ 10. Is it true that no employee or other person, including brokers, speaking on behalf of MAACO made any statement or promise or provided you with information regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a franchise will generate?
- Yes ___ No ___ 11. Is it true that no employee or other person, including brokers, speaking on behalf of MAACO made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support services or assistance that is contrary to,

or different from, the information contained in the Franchise Disclosure Document?

Yes ___ No ___

12. Do you understand that the Franchise Agreement contains the entire agreement between you and MAACO concerning the franchise license for the Center, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes ___ No ___

13. Do you understand that you will be an independent businessperson with a license to use MAACO's trademark?

If you were introduced to MAACO by a Franchise/Business Broker, please provide the name of the Broker's Company and the name of the Broker below:

Broker's Company

Broker's Name

DO YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

For Prospective Franchisees in Maryland

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Date

Date

EXHIBIT L

MAACO® POLARIS 2000 SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, ____ (the "Effective Date"), by and between Maaco Franchisor SPV LLC, a Delaware limited liability company with a place of business at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("MAACO"), and _____, a _____ and franchisee of MAACO, operating a Maaco Collision Repair & Auto Painting Center located at _____ ("Licensee").

1. DEFINITIONS. For purposes of this Agreement, the following terms are defined as follows:

1.1 Software means that certain MAACO Polaris 2000 software, which software includes MAACO Manager Desktop and MAACO Estimator Desktop.

1.2 Confidential Information means any business, marketing and technical information and other proprietary information of MAACO disclosed by MAACO to Licensee pursuant to this Agreement, including, without limitation all Documentation (as defined below).

1.3 Documentation means the user guide(s) and other documentation delivered by MAACO in paper or digital form to Licensee with the Software.

1.4 Franchise Location means the Licensee's franchised place of business identified in the introductory paragraph.

2. LICENSE. Subject to the terms and conditions contained herein, MAACO grants to Licensee, and Licensee accepts, a non-exclusive, nontransferable right and license to use the Software and Documentation in connection with the management and operation of Licensee's business at the Franchise Location. Licensee may not use the Software or Documentation for any other purpose. Licensee may make copy the software for the purpose of making archive copies. Licensee may also create copies of this Software for use on multiple network workstations at the Franchise Location. Licensee shall not, under any circumstances, create copies of the Software for use at any other franchise location or by any other party.

3. INITIAL FEE. Licensee agrees to pay MAACO an initial software license fee of five thousand dollars (\$5,000) before MAACO delivers possession of the equipment, inventory, supplies or signage to Licensee.

4. TERM. The initial term of this Agreement will commence on the Effective Date and end on the one year anniversary of this Agreement. This Agreement shall be renewable for additional one (1) year terms unless MAACO notifies Licensee of its election not to renew at least sixty (60) days prior to the end of the initial term or any renewal term, as applicable.

5. Franchisee acknowledges and understands that among the other purposes, this Software is intended for use in the electronic transmission of certain information to MAACO in accordance with the terms of Franchisee's governing MAACO franchise agreement (the "Franchise Agreement"). If Franchisee intentionally ceases transmitting its data to MAACO in accordance with the Franchise Agreement, or Franchisee inadvertently ceases transmitting such data and fails to notify MAACO of such error and provide MAACO the reasonable opportunity to bypass any such error then the Software will

cease to function as it was intended and Franchisee will be unable to activate the Software unless and until he begins again transmitting to MAACO in accordance with the Software's intended use.

6. PROPRIETARY RIGHTS. MAACO retains all of its respective rights, title and interest in the Software and Licensee shall not take any action inconsistent with such title and ownership. Licensee shall not reverse engineer, disassemble or decompile the Software.

7. CONFIDENTIAL INFORMATION. Licensee shall hold the Confidential Information in confidence at all times during the terms and after termination or expiration of this Agreement. Licensee agrees not to make the Confidential Information available to or disclose it to any third party for any purpose other than Licensee's employees or agents in furtherance of the license granted to Licensee hereunder. Licensee agrees to take all reasonable steps to ensure that the Confidential Information is not disclosed or distributed by its employees or agents in violation of the terms of this Agreement.

8. USE. During the term of this Agreement Licensee agrees not to:

- a) use or install the Software simultaneously on any computer located outside the confines of Licensee's Franchised Location unless authorized by MAACO in writing;
- b) copy the Software or written materials provided to Licensee, other than as permitted in Section 2 of this Agreement;
- c) distribute the Software or written materials provided to Licensee.

9. SUPPORT. MAACO will provide support for the Software and aid in resolving Software problems through its "Help Desk." Licensee may receive Help Desk support via telephone or through the Internet. MAACO's full support services are only available through the Internet, and Licensee is solely responsible for obtaining the Internet connection, web browsing software, electronic mail address and any other hardware or software necessary to obtain support utilizing the Internet. Licensee is also responsible for providing the Help Desk with an accurate account of events leading up to and including any problem experienced by Licensee. Within sixty (60) days of issue of an update to the Software, or any component thereof, Licensee must obtain and install such updates in order to receive full product support. Licensee may attend classes periodically offered by MAACO in Charlotte, North Carolina. Licensee shall bear all costs associated with such classes, including all travel and living expenses. Licensee acknowledges and agrees that it is solely responsible for the hardware on which Licensee operates the Software.

10. TERMINATION. MAACO shall have the right to terminate this Agreement effective upon delivery of notice to Licensee, if:

- a. the Franchise Agreement for the Franchise Location or any other agreement entered into by MAACO and Licensee is terminated in accordance with its terms; or
- b. Licensee fails to comply with any provisions of this Agreement, the Franchise Agreement for the Franchise Location or other agreement between MAACO and Licensee, and Licensee fails to correct this failure within five (5) days after written notice is delivered to Licensee.

Upon termination or expiration for any reason (a) Licensee shall have no further right to use or copy the Software, (b) Licensee shall pay MAACO all amounts due under this Agreement, and (c) Licensee shall immediately deliver to MAACO, at Licensee's expense, all originals and copies of

the Software, Documentation, and Confidential Information in the possession or under the control of Licensee.

11. In the event that Franchisee assigns this Software License to an applicant subject to the terms of this Agreement as more particularly described in paragraph 14.5 then Franchisee shall pay to MAACO a transfer fee in the amount of \$500 Dollars, which sum shall be paid to MAACO on the date of closing of such transaction.

12. WARRANTY AND DISCLAIMER OF WARRANTY. MAACO HEREBY WARRANTS THAT THE SOFTWARE SHALL, UNDER NORMAL USE, BE FREE OF ALL MATERIAL DEFECTS IN MATERIALS AND WORKMANSHIP FOR A PERIOD OF THIRTY (30) DAYS FROM THE EFFECTIVE DATE. MAACO WILL ALSO PROVIDE THE SUPPORT SERVICES AS PROVIDED IN SECTION 7 HEREOF. MAACO HEREBY DISCLAIMS ANY OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SOFTWARE INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

13. LIMITATION OF LIABILITY. MAACO'S LIABILITY FOR DAMAGES TO LICENSEE FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ANY CLAIM OR ACTION, SHALL NOT EXCEED THE AGGREGATE LICENSE FEES OR SUPPORT FEES, AS APPLICABLE, PAID BY LICENSEE FOR THE PRODUCT OR SERVICE INVOLVED IN THE CLAIM. MAACO SHALL IN NO EVENT BE LIABLE FOR ANY LOSS OF DATA, PROFITS OR USE OF THE SOFTWARE, OR FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SOFTWARE WITHOUT REGARD TO WHETHER MAACO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS ARE INDEPENDENT FROM ALL OTHER PROVISIONS OF THIS AGREEMENT AND SHALL APPLY NOTWITHSTANDING THE FAILURE OF ANY REMEDY PROVIDED HEREIN. MAACO SHALL NOT BE LIABLE FOR ANY DAMAGES CAUSED BY DELAY IN PROVIDING THE SOFTWARE TO LICENSEE.

14. GENERAL PROVISIONS.

14.1 Force Majeure. In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any cause beyond the reasonable control of the party invoking this provision, the affected party's performance shall be extended for the period of delay or inability to perform due to such occurrence.

14.2 Waiver. The waiver by either party of a breach or a default of any provision of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has, or may have hereunder, operate as a waiver of any right, power or privilege by such party.

14.3 Governing Law; Jurisdiction & Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to its choice of law provisions. Exclusive jurisdiction and venue for any litigation arising under this Agreement is in the federal and state courts located in Charlotte, North Carolina and both parties hereby consent to such jurisdiction and venue for this purpose.

14.4 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties with regard to the Software. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties.

14.5 Assignment. This Agreement and the rights and obligations hereunder may not be assigned, in whole or in part by Licensee without the prior written consent of MAACO. In the case of any permitted assignment or transfer of this Agreement, MAACO may, in its sole discretion, require: (i) that the transferor execute a general release, in a form satisfactory to MAACO of any and all claims against MAACO its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, directors, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities; and (ii) that the transferee enter into a written assignment in a form satisfactory to MAACO assuming and agreeing to discharge all of Licensee's obligations under this Agreement or, at the option of MAACO, that the transferee execute MAACO's then-current form of Software License Agreement.

14.6 Notices. Any notice or communication from one party to the other shall be in writing and either personally delivered or sent via facsimile or certified mail, postage prepaid and return receipt requested, addressed to such other party at the address specified in the introductory paragraph of this Agreement or at such other address as such party may from time to time designate in a notice to the other party.

14.7 Headings. Captions and headings contained in this Agreement have been included for ease of reference and convenience and shall not be considered in interpreting or construing this Agreement.

14.8 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Agreement.

MAACO FRANCHISOR SPV LLC

LICENSEE:

By: _____

EXHIBIT M

WARRANTY WORK FRANCHISE TRANSFER ACKNOWLEDGEMENT

The National Warranty Program is one of the major selling points of MAACO's Paint and Bodyworks Services. This is because a customer is assured that warranty related items will be corrected by the original center, or if he or she moves, by a MAACO franchise located within the new marketplace. In the latter case, the original center agrees to pay the new center to perform the required warranty repairs at warranty rates. Once completed, the performed repairs become the responsibility of the new center.

Cooperation among all of our franchise owners is essential if MAACO is to continue to differentiate itself from its competitors through the use of a National Warranty Program.

If you are buying a franchise formerly owned by another party, you should be aware of the following:

Notification to Buyers of Existing Franchises (Transfer)

The buyer of a Maaco center is responsible for performing warranty work for vehicles serviced by the prior owner. A franchise transfer purchase agreement may include an escrow account which is set aside to cover the costs that the new buyer will experience with regard to warranty repairs on work performed while the seller was in operation. Not only does this escrow account cover those costs incurred by the buyer when customers come into his or her own shop, but when the customer moves and the National Warranty Program must be honored.

The escrow account can be established for a period of one to two years in the amount of \$3,000 to \$5,000, although the actual amount to be set aside and the time period are determined by the seller and buyer based upon their evaluation of the particular business.

In the past, during some seller and buyer negotiations, the seller and buyer have not incorporated an escrow account in the purchase agreement. Please be advised that should this be the case in your purchase agreement or in the event the escrow account is insufficient, you as the buyer of the pre-existing MAACO franchise are still responsible for all warranty work arising from the service performed by the seller.

The undersigned acknowledges its understanding of the foregoing information and requirements relating to the purchase of a Maaco center.

IN WITNESS WHEREOF, the undersigned have executed this Warranty Work Franchise Transfer Acknowledgment on this _____ day of _____, _____.

By: _____

Its: _____

EXHIBIT N

WARRANTY AGREEMENT

The undersigned (collectively, the “Undersigned”) agrees that in consideration of Maaco Franchisor SPV LLC’s (“MAACO”) approval of its purchase of the Maaco Collision Repair & Auto Painting Center located at _____, it will perform all warranty work for vehicles serviced prior to its ownership of the Center, all in accordance with the MAACO warranty program.

The Undersigned further agrees that in the event any customer dissatisfaction is brought to the attention of MAACO’s Customer Service Department, it will honor said warranties as required by MAACO.

The obligations of _____ under this Warranty Agreement shall be joint and several.

I HAVE READ THE ABOVE WARRANTY AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS WARRANTY AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, the Undersigned has executed this Warranty Agreement on this ____ day of _____, _____.

By: _____

EXHIBIT O

TRI PARTY AGREEMENT

THIS TRI PARTY AGREEMENT (the “Agreement”) is made this _____ day of _____, _____, by and among Maaco Franchisor SPV LLC, with an address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), _____, with an address at _____ (“Franchisee”), and _____, with an address at _____ (“Lender”).

WITNESSETH:

WHEREAS, Franchisee has signed a Franchise Agreement dated _____, _____ (the “Franchise Agreement”) with MAACO related to the operation of a Maaco Collision Repair & Auto Painting Center at _____ (the “Center”). A copy of the Franchise Agreement is attached to and made a part of this Agreement as Exhibit “A”;

WHEREAS, the Center was previously owned and operated by Lender;

WHEREAS, Lender is making a loan of approximately \$_____ (the “Loan”) for the purpose of financing Franchisee’s purchase of the Center; and

WHEREAS, MAACO is willing to acknowledge the Loan provided Lender and Franchisee agree to the following terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The above recitals are true and correct and hereby incorporated herein.
2. MAACO agrees to provide Lender with a copy of any written notice of default (“Notice of Default”) served on Franchisee by MAACO relating to Franchisee’s failure to pay MAACO monies due under the Franchise Agreement (“Monetary Default”), at the same time such Notice of Default is provided to Franchisee.
3. Lender agrees that, upon receipt of a copy of the Notice of Default, it shall defer Franchisee’s obligation to make Loan payments to Lender for the lesser of ninety (90) days from the date of delivery of a copy of the Notice of Default to Lender or until MAACO gives Lender notice that Franchisee has cured the Monetary Default, to allow Franchisee to make payments to MAACO to cure the Monetary Default.
4. Lender agrees that any deferral of Loan payments resulting or arising under the terms of this Agreement shall not cause Lender to take any action under the Loan documents unless the Loan payments under the Loan documents are not paid to Lender after the deferral period ends.

5. Lender acknowledges that any rights it has under the Loan documents to take possession of or operate the Center if Franchisee defaults under the Loan, are subject to the restrictions on assignment contained in the Franchise Agreement, including but not limited to, Franchisor's right to approve the transfer of any interest in the Center.

6. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns. Nothing contained in this Agreement shall release the parties from their obligations under this Agreement.

7. This Agreement shall be construed and interpreted in accordance with the laws of the State of North Carolina, which laws shall control in the event of any conflict of law. The parties agree that any action arising out of or relating to this Agreement shall be commenced, litigated and concluded only in any state or federal court of general jurisdiction in the county or district where MAACO's corporate offices are located. All parties irrevocably submit to the jurisdiction of such court and irrevocably waive any objection that they may have to either the jurisdiction or venue or such court. All parties further irrevocably agree not to argue that any such court is an inconvenient forum or to request transfer of any such action to any other court.

8. This Agreement constitutes the entire integrated agreement of the parties and may not be changed without the written consent of all the parties.

9. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel or advisors of each party's choosing. This Agreement is entered into after a full investigation by the parties and the parties are not relying upon any statements or representations not contained in this Agreement.

10. In the event MAACO retains the services of legal counsel to enforce the terms of this Agreement, MAACO shall be entitled to recover all costs and expenses from the responsible party, including reasonable attorneys' fees, incurred in enforcing the terms of this Agreement.

11. The persons executing this Agreement on behalf of corporations acknowledge their authority to do so.

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS.
I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND IT AND
AGREE TO BE BOUND BY ITS TERMS.**

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

Maaco Franchisor SPV LLC

By: _____

Lender:

Franchisee:

EXHIBIT P

OPTION TO PURCHASE OR LEASE AGREEMENT

THIS OPTION TO PURCHASE OR LEASE AGREEMENT (the “Agreement”) is entered into this _____ day of _____, _____ between Maaco Franchisor SPV LLC (“MAACO”), a Delaware limited liability company located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202, and _____ (“Owner”), having a principal address at _____.

BACKGROUND

A. Owner owns a certain lot or parcel of land, with all improvements located at _____ (the “Premises”) which will be developed for use as a Maaco Collision Repair & Auto Painting Center.

B. MAACO and Owner shall enter into a franchise agreement (the “Franchise Agreement”) under which MAACO shall grant Owner the right and franchise to operate a Maaco Collision Repair & Auto Painting Center at the Premises.

C. In order to preserve the Premises as a Maaco Collision Repair & Auto Painting Center in the event of the termination or expiration of the Franchise Agreement, Owner has granted to MAACO, and MAACO has accepted, an exclusive and irrevocable option to: (i) purchase the Premises pursuant to the terms set forth in this Agreement and the Agreement of Sale attached to this Agreement as Appendix “A” (the “Agreement of Sale”); or (ii) enter into a lease for the Premises under the terms and conditions set forth in the lease attached to this Agreement as Appendix “B” (the “Lease”).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and for other valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Grant of Option.** As a material essential condition for the approval of the Premises for development as a Maaco Collision Repair & Auto Painting Center, Owner hereby grants to MAACO, its successors and assigns, the exclusive and irrevocable right and option, upon termination or expiration of the Franchise Agreement, to: (i) purchase the Premises pursuant to the terms and conditions set forth in the Agreement of Sale (the “Option to Purchase”); or (ii) enter into a lease for the Premises pursuant to the terms and conditions set forth in the Lease (the “Option to Lease” and, together with the Option to Purchase, collectively, the “Option to Purchase or Lease”). This Agreement shall continue during the term of the Franchise Agreement and all renewal agreements.

2. **Option Period.** The right to exercise the Option to Purchase or Lease shall become effective (the “Effective Date”) on the date Owner receives notice of termination of the

Franchise Agreement in accordance with the termination provisions of the Franchise Agreement, or on the day prior to the expiration of the initial or any renewal term of the Franchise Agreement. The right to exercise the Option to Purchase or Lease shall remain effective for the sixty-day (60) period immediately following the Effective Date (the "Option Period").

3. **Exercise of Purchase/Lease Option.** MAACO shall have the right to exercise the Option to Purchase or Lease at any time during the Option Period. To exercise its Option, MAACO must send notification of its election to Owner no later than 11:59 p.m. on the sixtieth (60th) day following the Effective Date.

4. **Option to Purchase.** The purchase price shall be determined by mutual written agreement of the parties. If Owner and MAACO are unable to agree on a purchase price, the purchase price shall be the fair market value as determined by an independent appraiser selected by agreement of Owner and MAACO; the cost of such appraisal to be shared equally by Owner and MAACO. If Owner and MAACO are unable to select an independent appraiser within five (5) business days from MAACO's written notice to Owner, each shall appoint an appraiser and the two appraisers shall jointly appoint a third independent appraiser which independent appraiser shall determine the purchase price based on the fair market value of the Premises. The third independent appraiser shall determine the fair market value of the real property and its determination shall be final and binding on the parties. The purchase price will be payable in full at the closing, minus customary prorations, including the pay-off of existing mortgage liens. If either party fails to appoint their party-appraiser within ten (10) days after receiving notice to do so from the other party, the party failing to appoint its appraiser shall be deemed to have waived its right to an appraiser. In this event, the non-waiving party's appraiser shall perform the appraisal and such appraisal shall be binding on both Owner and MAACO. In the event the party appraisers are unable to agree on a third party appraiser within ten (10) days after the date the last party appraiser is appointed, MAACO shall select an independent appraiser whose appraisal shall be binding on both Owner and MAACO.

5. **Operation During Option to Purchase.** MAACO will have the right, upon written notice to Owner, to manage the Center during the period following MAACO's election to exercise the Option to Purchase to the closing as defined in Paragraph 6 of this Agreement.

6. **Closing.** The closing shall occur within ninety (90) days after MAACO exercises the Option to Purchase or such later date as may be necessary to comply with applicable bulk sales or similar laws (the "Closing"). At the Closing, Owner and MAACO agree to execute and deliver all documents necessary to vest title in the Premises to MAACO free and clear of all liens and encumbrances, except those expressly assumed by MAACO. MAACO reserves the right to assign its Option to Purchase the Premises to an affiliate of MAACO.

7. **Option to Lease.** Within five (5) days after Owner's receipt of written notice from MAACO advising Owner of MAACO's election to exercise the Option to Lease, Owner shall execute, acknowledge, and deliver the Lease to MAACO and upon its acceptance and execution by MAACO, Owner shall deliver possession of the Premises to MAACO, free and clear of all rights of any third parties whatsoever. The rental under the Lease for the initial five (5) year term shall be the fair rental value of the property as determined by mutual written

agreement of the parties or by an independent appraiser selected in the manner described in Paragraph 4 of this Agreement. The rental payable during the subsequent five (5) year extension period shall be adjusted at the commencement of the five (5) year extension period in accordance with the change in the "Revised Consumer Price Index" ("CPI"), published by the U.S. Bureau of Labor Statistics, using the date that rent first commenced as a base period and comparing it with the CPI as of the date of the end of the then-expiring term. The CPI Index shall be the "Revised Consumer Price Index for Urban Wage Earners and Clerical Workers," all items U.S. Cities average, Series A (1967 = 100) published by the Bureau of Labor Statistics.

8. **Owner's Representations and Warranties.** Owner represents and warrants as follows:

(A) owner holds fee simple title to the Premises;

(B) this Agreement has been duly executed and delivered by Owner and constitutes the legal and binding obligation of the Owner, enforceable with its terms;

(C) the execution and delivery by Owner of this Agreement and the consummation of the transactions contemplated by this Agreement, and the performance by Owner of Owner's obligations under this Agreement will not conflict with, or result in, any violation or termination of, or any default under (either immediately or with notice or lapse of time) or the creation of any right of acceleration or any lien, charge or encumbrance pursuant to any provision of any agreement, contract, mortgage, lease, license or other instrument to which the Owner or the Premises are bound.

9. **Appointment of MAACO as Agent.** Owner hereby designates and appoints MAACO as its authorized agent to execute any and all documents and to take all action as may be necessary or desirable to effectuate the performance of any and all of Owner's duties under this Agreement in the event of termination of the Franchise Agreement. Owner agrees to peaceably and promptly vacate the Premises and to remove Owner's personal property therefrom upon receipt of MAACO's written notice of its exercise of its rights under this Agreement. Any property not so removed, within ten (10) days following Owner's receipt of such written notice, shall be deemed abandoned.

10. **Commencement of Rent/Right to Set Off.** MAACO's obligation to pay rent under the Lease shall not begin to accrue until MAACO is in possession of the Premises, free and clear of any rights of third parties. MAACO shall be entitled to offset against rent under the Lease, all amounts required in order to cure Owner's defaults under the Franchise Agreement or any other agreement between the parties relating to the Center.

11. **MAACO's Right to Assign and/or Sublease.** In the event MAACO exercises the Option to Lease, MAACO shall have the right to assign without recourse its rights under this Agreement or its rights under the Lease, to an affiliate, subsidiary or franchisee of MAACO without the consent of Owner, provided that the assignee shall execute and deliver to Owner an assumption agreement by which the assignee agrees to assume MAACO's obligations under the Lease and to observe the terms and conditions and agreements on the part of the lessee to be

performed under the Lease. MAACO may sublet the Premises, or any part thereof, without the consent of Owner to an affiliate, subsidiary or franchisee of MAACO. In the event such sublessee or assignee defaults under any provision of the Lease, Owner shall immediately notify MAACO in writing of such default.

12. **Remedies and Additional Provisions.** This Agreement shall run with the land and be binding upon the parties hereto and their successors, assigns, executors and administrators and representatives. The rights and obligations herein contained shall continue, notwithstanding changes in the person or entity that may hold any leasehold or ownership in the land or building. Owner shall notify MAACO in writing of any sale, transfer or conveyance of the Premises within a reasonable time of such sale, transfer or conveyance. At the request of Owner, MAACO's rights hereunder may be subordinated to the lien of any mortgage or deed of trust hereinafter placed upon the Premises, provided that the mortgagee or trustee shall agree in writing to recognize, honor and not disturb MAACO's right to exercise the Option to Lease and enter into the Lease as set forth in this Agreement. Any party may record this Agreement. Any party may seek equitable relief or injunctive relief including, without limitation, specific performance for actual or threatened violation or non-performance of this Agreement by any other party. Such remedies shall be in addition to all other rights provided for in this Agreement or by law.

13. **Multiple Owners.** In the event that more than one person or entity has an ownership interest in the Premises, the obligations of each such person under this Agreement shall be joint and several.

14. **Notices.** Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by registered or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to MAACO:

Maaco Franchisor SPV LLC
440 South Church Street, Suite 700
Charlotte, North Carolina 28202

Notice to Owner:

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

THE PARTIES HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. THE PARTIES WOULD NOT SIGN THIS AGREEMENT IF THEY DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties hereto have executed this Agreement on the date written above.

Owner:

Maaco Franchisor SPV LLC

By: _____

By: _____

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the "Agreement") is made the ____ day of _____, by and between _____, having an address at _____ ("Seller") and Maaco Franchisor SPV LLC, a Delaware limited liability company, and/or its assigns, having an address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("Buyer").

1. **Property:** Seller hereby agrees to sell and convey to Buyer, free from all encumbrances, except as this Agreement may otherwise provide, the real property located in _____ County and known as _____, as described on Exhibit "A" annexed to and made a part of this Agreement, together with all buildings, improvements, fixtures, rights, privileges and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, and rights-of-way (the "Property").

2. **Purchase Price:** The total consideration and purchase price (the "Purchase Price"), which Buyer agrees to pay to Seller and Seller agrees to accept for the Property is the sum of _____ payable as follows:

A. Upon execution of this Agreement, Buyer shall deliver to _____, located at _____ (the "Title Company") the sum of _____, which sum shall be held by the Title Company in an interest bearing account pending the Closing, as defined in Paragraph 6 of this Agreement (the "Deposit"). At the Closing, the Deposit shall be credited toward the payment of the Purchase Price. If the transaction contemplated by this Agreement shall fail to close, the Title Company shall apply the Deposit by paying it to the party entitled thereto in accordance with the relevant provisions of this Agreement.

B. The balance of the Purchase Price shall be paid to Seller at the Closing, subject to adjustments made pursuant to the terms of this Agreement, by wire transfer in U.S. dollars or certified or bank check.

3. **Title Policy and Survey:**

A. Buyer shall take title to the Property free and clear of any and all leases, oral or written, liens, mortgages, charges, claims, pledges, security interests and/or encumbrances of any and every nature whatsoever, except those liens and encumbrances accepted by Buyer as hereafter provided. Title to the Property shall be conveyed at Closing by Seller to Buyer in fee simple by general warranty deed. The title to be delivered to Buyer at Closing shall be insurable at regular rates by the Title Company and shall indicate that the Property is free and clear of all encumbrances of any nature except those liens and encumbrances accepted by Buyer as hereafter provided. Seller will neither encumber the Property nor do anything to cause exception to title from the date of this Agreement to the Closing Date without

Buyer's prior written consent.

B. Upon full execution of this Agreement:

(1) Seller shall deliver to Buyer copies of all site plans, plot plans and topographical plans, if any, affecting the Property in Seller's possession; and

(2) Seller shall order a commitment for fee title insurance (the "Title Commitment").

C. Buyer may, within fifteen (15) business days after Buyer's receipt of the Title Commitment: (i) object in writing to any matter which constitutes a defect or encumbrance to title; and (ii) object in writing to any easements, rights of way, declarations, restrictions, covenants and any other matters of record disclosed by the Title Commitment including copies of recorded documents evidencing those title exceptions, easements, rights of way, declarations restrictions and other matters of record.

D. Buyer's failure to object under this Paragraph 3 within the time allowed shall constitute a waiver of Buyer's right to object. If objections are made by Buyer, Seller shall have the right, but shall have no obligation, to cure the objections within twenty (20) days after the date Seller receives them (the "Cure Period"). If objections are not cured within the Cure Period, this Agreement shall terminate and the Deposit shall be refunded to Buyer unless Buyer elects to waive the objections. It is expressly understood and agreed that Seller shall not be required to cure any title objections, bring any action or proceeding, or otherwise incur any expense in connection therewith, other than to cause any existing mortgage on the Property to be released at Closing. All matters shown or disclosed by the Title Commitment with respect to which: (i) Buyer fails to object within the time and in the manner provided in subparagraph 3C; or (ii) Buyer waives its objection as provided in this subparagraph 3D shall be collectively deemed "Permitted Exceptions" and Buyer agrees to take title to the Property subject thereto.

4. **Condition of Property:** Subject to Paragraph 13A and all of the other conditions precedent set forth herein, Buyer shall accept the Property at the Closing "as-is".

5. **Contingencies:** It is understood that Buyer is entering into this Agreement for the sole purpose of operating on the Property, a MAACO Collision Repair & Auto Painting Center ("Buyer's Intended Use"). If the Property is not suitable for any reason for Buyer's Intended Use, then Buyer may terminate this Agreement in accordance with the terms of this Paragraph 5:

A. Buyer shall have seventy-five (75) days from the date of the execution of this Agreement (the "General Review Period"), to obtain all necessary governmental permits, approvals and authorizations, and inspections of the Property by inspectors of Buyer's choice. Inspections may include but are not limited to: (i) physical property inspections; (ii) economic feasibility studies; and (iii) any type of environmental assessments or engineering studies including the performance of tests such as soils tests, air sampling or paint sampling. Seller shall permit Buyer and Buyer's inspectors reasonable access to the Property at reasonable times.

B. If at the expiration of the General Review Period, Buyer determines, in Buyer's sole judgment, that the Property is not suitable for any reason or the Property is not in satisfactory condition, then Buyer may terminate this Agreement by providing Seller with written notice of termination of this Agreement, given on or before the last day of the General Review Period, and copies of all reports of inspections, studies or assessments completed or caused to be completed by Buyer under Paragraph 5A shall be provided to Seller, and the Deposit shall immediately be refunded to Buyer. If Buyer does not terminate this Agreement within the time required, any objections and all contingencies under Paragraph 5A and this Paragraph shall be deemed waived by Buyer. If this Agreement does not close through no fault of Seller, Buyer shall restore the Property to its original condition if altered due to inspections, studies or assessments completed by Buyer or Buyer's inspectors.

6. **Closing**: The closing of the sale (the "Closing") shall take place within fifteen (15) days after Buyer's satisfaction of all contingencies hereunder or Buyer's waiver thereof (the "Closing Date"), at the office of the Title Company. Time is of the essence.

7. **Closing Documents**: At least five (5) business days prior to Closing, all documents which Seller shall be required to provide Buyer, either at or prior to Closing, shall be presented in form to Buyer. At the Closing, Seller shall furnish, at Seller's expense:

- A. tax statements showing no delinquent taxes on the Property;
- B. a fee simple General Warranty Deed conveying good and indefeasible title to the Property subject to the Permitted Exceptions;
- C. Standard Affidavit of Title with such changes therein as shall be reasonably acceptable to Seller, certifying that there are no mechanic's and materialman's liens;
- D. "FIRPTA" certification that Seller is not a foreign person. Section 1455 of the Internal Revenue Code provides that the transferee of a United States real property interest must deduct and withhold a tax equal to ten percent (10%) of the amount realized by the transferor on the disposition, if the transferor is a foreign person;
- E. evidence that the person executing this Agreement is legally capable and authorized to bind Seller; and
- F. a closing statement for this transaction.

8. **Possession**: Seller shall deliver possession of the Property to Buyer at the Closing subject to the Permitted Exceptions.

9. **Representations and Warranties of Seller:** Seller represents and warrants to Buyer that:

A. it owns good and marketable title to the Property, and that this Agreement constitutes a valid and binding Agreement of Seller enforceable in accordance with its terms. Neither the execution and delivery nor the performance of this Agreement by Seller will violate the terms of any agreements between Seller and any third party or violate or constitute a default under any judgment, order, law or regulation;

B. between the date of this Agreement and the Closing Date, Seller shall maintain the Property in the same manner as the Property has been maintained by Seller prior to the date of this Agreement such that the Property will be substantially in its present condition, reasonable wear and tear excepted. Seller also warrants that there are no persons in possession of or with a possessory interest in the Property, and shall confirm to Buyer in writing, no later than ten (10) days prior to Closing, that there is no one in possession of or with a possessory interest in the Property;

C. no insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition among or arrangement with creditors, voluntary or involuntary, affecting the Property are pending against Seller or any authorized member of Seller, or to Seller's knowledge, threatened. Seller has not made any assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of any such insolvency proceedings. Transfer of the Property shall not render Seller insolvent;

D. no litigation, petition, complaint, proceeding, investigation or similar matter by or before any court, administrative agency or any other entity is pending, or to Seller's knowledge is threatened against Seller or any authorized member of Seller pertaining to the Property;

E. no representation or warranty of Seller contained in this Agreement or in any schedule, exhibit, certificate or other instrument to be furnished pursuant to the terms of this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state a fact necessary to make such statements not misleading;

F. to Seller's knowledge, the Property does not contain underground storage tanks, fill of any kind, basements or building foundations, dry wells, septic tank;

G. to Seller's knowledge: (i) there are no environmental hazards or conditions affecting the Property which would violate any federal, state or local statutes, regulations, ordinances or other requirements; and (ii) the Property has never been used for the storage or disposal of hazardous substances or materials or toxic waste, a dump site or landfill; and

H. as of the date of this Agreement, and as of Closing, the person executing and delivering this Agreement has the full power, capacity and authority to commit Seller to the provisions of this Agreement.

10. **Covenants of Seller:** Between the date of this Agreement and Closing, Seller shall:

- A. maintain the Property substantially in its present condition;
- B. notify Buyer of Seller's receipt of any written notice of violation, fine or complaint of any type against the Property and provide Buyer with a copy of any such notice received by Seller;
- C. allow Buyer's employees, agents and representatives to have reasonable access to the Property; and
- D. not modify the Property to be transferred under this Agreement without Buyer's prior written consent.

11. **Representations and Warranties of Buyer:** Buyer represents and warrants to Seller that:

A. this Agreement constitutes a valid and binding Agreement of Buyer enforceable in accordance with its terms. Neither the execution and delivery nor the performance of this Agreement by Buyer will violate the terms of any agreements between Buyer and any third party or violate or constitute a default under any judgment, order, law or regulation;

B. as of the date of this Agreement, and as of the Closing, the person executing and delivering this Agreement, has the full power, capacity and authority to commit Buyer to the provisions of this Agreement; and

C. no insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition among or arrangement with creditors, voluntary or involuntary, are pending against Buyer or any authorized partner of Buyer, or to Buyer's knowledge, threatened. Buyer has not made any assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of any such insolvency proceedings. Purchase of the Property shall not render Buyer insolvent.

12. **Risk of Loss:** The risk of loss or damage to the Property by fire or other casualty, or of taking by eminent domain, until delivery of the deed, shall be assumed by Seller, and upon the happening of such event, Buyer shall have the right to terminate this Agreement without further liability, in which event the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations towards the other except as herein expressly provided. In the event Buyer elects not to terminate this Agreement, Buyer shall consummate this Agreement and accept the Property in its then-existing condition, in which event Seller shall assign to Buyer all insurance proceeds payable and those previously collected and not spent for repairs with respect to such damage, or all condemnation proceeds, and there shall be no reduction in the Purchase Price.

13. **Conditions Precedent to Buyer's and Seller's Obligations:**

A. The obligation of Buyer to consummate the transactions contemplated in this Agreement is subject to the satisfaction (or waiver in writing by Buyer) at or prior to Closing of the following:

(1) the representations and warranties of Seller set forth in this Agreement shall be true and correct on the Closing Date in all material respects as if made on the Closing Date;

(2) there shall be no tenants or occupants of the Property;

(3) Seller shall have performed all acts and covenants required of Seller pursuant to this Agreement; and

(4) there shall have been no material adverse change in the Property after completion of Buyer's inspections and investigation thereof.

B. The obligation of Seller to consummate the transactions contemplated in this Agreement is subject to the satisfaction (or waiver in writing by Seller) at or prior to Closing of the following:

(1) the representations and warranties of Buyer set forth in this Agreement shall be true and correct on the Closing Date in all material respects as if made on the Closing Date; and

(2) Buyer shall have performed all acts and covenants required of Buyer pursuant to this Agreement.

14. **Indemnification:**

A. **Indemnity by Seller.** Seller shall indemnify and hold Buyer and, if applicable, Buyer's partners, shareholders, directors, employees, agents, affiliates and subsidiaries harmless with respect to any and all claims, losses, obligations, liabilities, costs and expenses, including reasonable attorneys' and other professional fees, arising out of or resulting from: (i) claims by tenants and/or former tenants concerning any leases for all or any portion of the Property; (ii) any breach of any of the covenants, representations and/or warranties of Seller under this Agreement; (iii) claims by third parties arising out of the ownership of the Property prior to Closing; and (iv) any liability or obligation relating to the Property with respect to the periods prior to Closing.

B. **Indemnity by Buyer.** Buyer shall indemnify and hold Seller and, if applicable, Seller's members, directors, officers, employees, agents, affiliates and subsidiaries harmless with respect to any and all claims, losses, obligations, liabilities, costs and expenses, including reasonable attorneys' and professional fees and costs, arising out of or resulting from:

(i) any breach of any of the covenants, representations and/or warranties of Buyer under this Agreement; (ii) claims by third parties arising out of Buyer's ownership, use and operation of the Property after Closing (other than as to claims to title, except any claims arising by, through or under Buyer); and (iii) any liability or obligation relating to the Property with respect to periods after Closing.

15. **Closing Adjustments:** As of the Closing Date, all real estate taxes, water, gas, electric, utility and sewer charges shall be prorated and adjusted in cash on a per diem basis with Buyer being responsible for the cost of same as of the Closing Date.

16. **Closing Costs; Proration of Taxes:**

A. Each party shall bear all of its own attorneys', accountants' and other fees and costs incurred in connection with this transaction.

B. All general state, county and city taxes and (if any) installments of special assessments levied or assessed against the Property (collectively, "Taxes") shall be paid to the collecting authorities by Seller if due and payable on or before the Closing Date and by Buyer if due and payable after the Closing Date, provided however, that the Taxes for the fiscal year in which the Closing Date occurs (the "Proration Period") shall be prorated between Seller and Buyer at Closing, with Seller bearing only that proportion thereof determined by multiplying the amount of such Taxes by a fraction, the numerator of which is the number of days in the Proration Period to and including the Closing Date and the denominator of which is 365. If the actual amount of Taxes for the Proration Period is not ascertainable on the Closing Date, the amount of Taxes for the immediately preceding fiscal year shall be used for the purpose of such proration, and within thirty (30) days after the actual amount of such Taxes is known, the parties shall recompute the proration and adjust any difference. The obligations of the parties under this subparagraph B shall survive the Closing and delivery of the deed and all other performances hereunder.

C. Any customary real estate taxes related to the transfer of the Property, including, without limitation, municipality, county and/or state real estate transfer taxes, shall be divided equally between Seller and Buyer and shall be paid at Closing.

17. **Remedies on Default:** If the transaction contemplated by this Agreement has not been consummated because of a material default or breach by Buyer of Buyer's obligations under this Agreement and Seller is not in material breach of Seller's obligations, Buyer shall forfeit the Deposit to Seller as Seller's full and complete liquidated damages and as Seller's sole and exclusive remedy. If Seller fails to perform Seller's obligations as a result of a default in the performance of its obligations or a breach of its representations and warranties, Buyer, in addition to all other legal remedies, shall have the right to enforce the terms of this Agreement by a decree of specific performance and to recover all costs and expenses (including reasonable attorneys' and other professional fees and costs) incurred by Buyer as a result of Seller's default.

18. **Survival of Representations and Warranties:** All representations and warranties made by Seller and Buyer in or related to this Agreement, or in any certificate, exhibit

or schedule delivered by one party to another, shall survive the Closing Date.

19. **Notices**: All notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent by registered or certified mail, return receipt requested, or by facsimile transmission at Buyer's and/or Seller's addresses set forth in this Agreement or other addressees as they may designate by written notice. In the case of Buyer, notices shall be sent to the attention of Buyer at the address set forth above. In the case of Seller, notices shall be sent to the attention of Seller at the address set forth above. Notices given by registered or certified mail shall be deemed given on the date deposited at a United States Post Office, postage prepaid, and shall be deemed received on the earlier of (i) the date of the return receipt therefor, or (ii) three (3) days after deposit as aforesaid. Notices given by facsimile transmission shall be deemed given and received upon actual receipt by the addressee thereof.

20. **Recording**: Neither party shall record this Agreement without the prior written consent of the other party which may be given or withheld at the other party's discretion.

21. **Indemnification**: Each party represents and warrants to the other party that it has not dealt with any broker, agent or finder in connection with this transaction, and agrees to indemnify and hold the other party harmless from and against all claims, loss, damage, cost and expense (including, without limitation, court costs and reasonable attorneys' fees) made against or suffered or incurred by the other party as a result of a breach of the foregoing representation.

22. **Agreement of the Parties**: This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, representatives, successors and assigns. This Agreement shall be construed under and in accordance with the laws of the State in which the Property is located. This Agreement contains the entire integrated agreement of the parties and cannot be changed except by written agreement. If this Agreement is executed in a number of identical counterparts, each counterpart is deemed an original and all counterparts shall, collectively, constitute one agreement. Buyer may assign this Agreement to an affiliate of Buyer. If Buyer assigns this Agreement to an affiliate of Buyer, Buyer shall be relieved of any further liability only if the affiliate assignee assumes in writing all obligations and liability of Buyer under this Agreement.

23. **Other Documents**: The parties shall execute such other documents as may be reasonably necessary to carry out the provisions of this Agreement.

Intending to be legally bound, the parties execute this Agreement as of the date first written above.

SELLER:

By: _____

BUYER: Maaco Franchisor SPV LLC

By: _____

LEASE AGREEMENT

This Lease Agreement (the "**Lease**") is made and entered into this ____ day of _____, _____, by and among _____ ("**Lessor**"), and _____, or its nominee or assignee, d/b/a Maaco Collision Repair & Auto Painting ("**Lessee**").

AGREEMENT

1. Lease and Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, on the terms and subject to the conditions specified in this Lease, the premises which are commonly known as _____, together with all and whatever improvements which are now existing or hereafter placed thereon (the "**Improvements**") and any and all appurtenances thereto, all being referred to as the "**Premises.**" Lessor represents and warrants that it owns good and marketable title to the Premises, subject to restrictions, agreements, conditions and easements of record, conditions and notes on recorded plats or plans, and rights of any utility company.

2. Term. The term of this Lease (the "**Term**") shall be five (5) years.

3. Commencement Date. The Lease shall commence on _____ (the "**Commencement Date**").

4. Rent. Lessee agrees to pay to Lessor, at the principal office referenced in Paragraph 26, or at such place as Lessor may designate in writing from time to time, rent for the Premises, payable monthly in advance in the amounts set forth on Exhibit "A" attached and incorporated by reference, beginning on the Commencement Date and continuing on the first day of each calendar month of the Term of this Lease, except that for the first and final calendar months (or portions thereof) of the Term of this Lease, the rent shall be apportioned pro rata on a per diem basis. Lessee does for itself, its successors and assigns, covenant and promise to pay rent without further notice and without demand, deduction, counterclaim or set-off of any kind. Any other sums due and payable to Lessor under this Lease shall be considered additional rent.

5. Use of Premises.

(A) The Premises may be used for the operation of a Maaco Collision Repair & Auto Painting Center (the "**Intended Use**"), and for no other purpose.

(B) Lessee shall comply with all applicable laws, ordinances and regulations and will not use or permit any use of the Premises in violation thereof, and will operate the business in a first class, clean, safe and sanitary manner. Lessee shall be responsible to maintain and procure, at Lessee's own expense, all licenses, permits or inspection certificates required by any governmental authority respecting Lessee's business. Lessee may, after giving Lessor ten (10) business days' written notice, contest any such law, ordinance or regulation in the name of

Lessor, if necessary, but in which event Lessee shall indemnify Lessor against any costs, penalties or reasonable attorney's fees incurred by or asserted against Lessor by reason thereof.

(C) Lessee, in good faith, diligently shall pursue and obtain a Certificate of Occupancy for the Premises, at its sole cost and expense, upon completion of all improvements to be made to the Premises.

6. Taxes, Insurance and Utilities.

(A) Lessee shall pay to Lessor each month, in addition to the monthly rental, one-twelfth (1/12th) of all estimated Real Property Taxes assessed against the Premises annually. The Real Property Taxes for the immediately preceding calendar year shall be the basis for the computation of the monthly tax installments. Upon receipt of the actual tax assessment invoice for each calendar year, any additional taxes owing to Lessor as a result of any increase in taxes shall be paid by Lessee immediately, and the monthly tax installments to thereafter be paid by Lessee shall be adjusted accordingly. Lessee shall have the right, at its sole cost and expense, to file an appeal of the local tax assessment of the Premises. Lessee shall be responsible for all fees, costs, and expenses (including attorney's fees) in connection with any such appeal.

(B) Lessee shall pay property and fire insurance covering the Premises in accordance with Paragraph 9.

(C) Lessee shall pay for all water, gas, electricity and all other utilities serving the Premises.

(D) Lessee shall be liable for all business use and occupancy taxes due for the Premises.

7. Lessor Access. Upon reasonable prior notice (except that no notice shall be required in the event of an emergency), Lessee shall permit Lessor and its agents to enter into and upon the Premises at reasonable times during normal business hours for the purpose of inspecting the Premises. For a period of six (6) months prior to the termination of this Lease, Lessor may: (i) enter upon the Premises during normal business hours to show the Premises to prospective tenants provided that such entry and showing does not interfere with the conduct and operations of Lessee's business; and (ii) erect signage upon the Premises for the purpose of advertising the availability of the Premises for lease/sale. In addition, immediately after termination or expiration of this Lease, Lessor shall have the right to re-enter the Premises and de-identify the Premises so as to protect MAACO's trade names, service marks and trademarks, and shall further have the right to charge Lessee for the costs associated with such re-entry and de-identification.

8. Public Liability and Workers Compensation Insurance and Indemnity.

(A) Lessee shall, during the entire Term of this Lease, at Lessee's expense, keep in force by advance payment of premiums, public liability insurance in an amount of not less than One Million Dollars (\$1,000,000) for injury to or death of one person as a result of one

occurrence and not less than Three Million Dollars (\$3,000,000) for injury to or death of more than one person as a result of one occurrence, and for damage to property in the amount of Five Hundred Thousand Dollars (\$500,000) insuring Lessee and Lessor (as insured) against any liability that may accrue against them jointly or either of them severally on account of any occurrences in or about the Premises during the Term of this Lease or in consequence of Lessee's occupancy thereof and resulting in bodily injury, personal injury or death or property damage to any third party. Each of said policies shall provide for notice to be given to Lessor thirty (30) days before any such insurance will terminate, be revoked, lapse or end for any reason. Each insurance policy shall be issued by an insurance company having a policy holder's rating of B+ or better by A.M. Best & Company and be duly authorized to transact business in the state where the Premises are located. Before occupying the Premises and at any time requested by Lessor thereafter, Lessee shall furnish to Lessor certificates of all insurance required under this paragraph. If Lessee does not maintain such insurance in full force and effect, Lessor may notify Lessee of such failure and if Lessee does not deliver to Lessor, within ten (10) days after such notice, certification showing all such insurance to be in full force, Lessor may obtain, at its option, the insurance necessary to comply with the provisions hereof and pay the premiums on the items specified in such notice and Lessee covenants that it shall reimburse and pay Lessor any amounts paid or expended in the amount of the insurance premiums required hereby and specified in the notice, as additional rent, with interest thereon at the rate of five percent (5%) per annum from the date of such payment by Lessor until repaid by Lessee; in the alternative, upon Lessee's failure to secure the appropriate insurance and such failure continues after the notice period set forth above, Lessor may deem such failure to be a default (as hereinafter defined) and Lessor may avail itself of any and all remedies set forth in Paragraph 23 hereof.

(B) Lessee shall indemnify and hold Lessor harmless from and against any and all costs pertaining to any claims of whatever nature which are asserted against Lessor with respect to its ownership of the Premises during the Term hereof or thereafter and which are based on: (i) any act or omission of Lessee, including, but not limited to, any default in the performance of any agreement to be performed by Lessee under this Lease; or (ii) any injury to or death of any person, or damage to any property occurring in or about the Premises during the Term hereof, if caused by the negligence or willful misconduct of Lessee, or any of its respective agents, licensees, business invitees or guests. Lessor shall have the option to defend itself or to have Lessee defend it in any action initiated, or claim asserted against Lessor arising out of, or in any manner whatsoever associated with or connected with the negligence or willful misconduct of Lessee, or any of its respective agents, licensees, business invitees or guests, and Lessee shall be responsible for all costs pertaining to said defense. The term "**costs**" means all liabilities, judgments, penalties and fines and interest arising out of any such claims.

(C) Lessor shall indemnify and hold Lessee harmless from and against any and all costs pertaining to any claims of whatever nature which are asserted against Lessee with respect to its occupation of the Premises during the Term hereof or thereafter and which are based on: (i) any act or omission of Lessor, including, but not limited to, any default in the performance of any agreement to be performed by Lessor under this Lease; or (ii) any injury to or death of any person, or damage to any property occurring in or about the Premises during the Term hereof, if caused by the negligence or willful misconduct of Lessor, or any of its respective

agents, licensees, business invitees or guests. Lessee shall have the option to defend itself or to have Lessor defend it in any action initiated, or claim asserted against Lessee arising out of, or in any manner whatsoever associated with or connected with the negligence or willful misconduct of Lessor, or any of its respective agents, licensees, business invitees or guests, and Lessor shall be responsible for all costs pertaining to said defense. The term “costs” means all liabilities, judgments, penalties and fines and interest arising out of any such claims.

(D) Lessee shall throughout the Term of this Lease keep and maintain statutory workers compensation insurance covering all persons working in or about the Premises. Lessee shall provide Lessor certificates evidencing said workers compensation insurance on the Commencement Date and at any time required by Lessor thereafter.

9. Fire and Extended Coverage Insurance.

(A) Lessee shall throughout the Term of this Lease, at Lessee’s expense, keep the Premises and all Improvements on the Premises adequately insured, naming Lessor as insured, in an amount equal to the full replacement cost of the Improvements with insurance companies having an insurance rating of B+ or better as established by A.M. Best & Company or any other qualified rating organization against damages as set forth in special form exception coverage. Such insurance shall include a broad form business owners package policy, which contains business income insurance coverage for a period not less than one (1) year, which is in form and substance acceptable to Lessor. On the Commencement Date, and as requested by Lessor after the Commencement Date, Lessee shall deliver to Lessor copies of insurance certificates evidencing the aforesaid insurance.

(B) Lessee shall throughout the term of this Lease, at Lessee’s expense, keep the equipment, furniture and trade fixtures in the Premises adequately insured in an amount equal to full replacement cost with insurance companies having an insurance rating of B+ or better established by A.M. Best & Company or any other qualified rating organization against damages caused by fire, lightning and all other causes of physical loss. Lessee will deliver to Lessor copies of insurance certificates evidencing the aforesaid insurance on the Commencement Date and at any time requested by Lessor thereafter.

10. Mutual Waiver of Subrogation Rights. Whenever any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Premises, and such loss, cost, damage or expense is insurable under the insurance required to be carried by the parties hereto, then the party required to be so insured thereby releases the other party from liability, other than liability arising out of the gross negligence or intentional misconduct it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance, and waives any right of subrogation in the amount of any insurance amount recovered which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or be contrary to any statute, ordinance, law or public policy.

11. Damages to Premises.

(A) Damage – Insured. Subject to the provisions of Paragraphs 11(D) and 11(E), if the Premises are damaged and such damage was caused by a casualty covered under an insurance policy required to be maintained pursuant to Paragraph 6(B) and 9, Lessor shall at Lessor's expense repair such damage within ninety (90) days after issuance of permits and this Lease shall continue in full force and effect, provided, however, if the commencement or completion, as the case may be, of such repairs or restoration shall be delayed by weather, strikes, inability to procure labor or materials, fire, flood, delays in obtaining insurance proceeds not caused by Lessor or other occurrences or conditions beyond Lessor's control, the aforesaid time period shall be extended by the period of such delay. Lessor shall not repair or replace Lessee's fixtures or equipment.

(B) Damage – Uninsured or Partially Uninsured. Subject to the provisions of Paragraph 11(D) and 11(E), if at any time during the term hereof the Premises are damaged, except by a negligent or willful act of Lessee, and such damage was caused by a casualty not covered under an insurance policy required to be maintained pursuant to paragraph 6(B) and 9 or actually maintained by Lessor, Lessor shall at Lessor's option either: (i) repair such damage within ninety (90) days after the issuance of permits at Lessor's expense, in which event this Lease shall continue in full force and effect; or (ii) give written notice to Lessee, within thirty (30) days after the date of the occurrence of such damage, of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee shall have the right within thirty (30) days after the receipt of such notice, to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs within ninety (90) days after the issuance of permits. In such event, Lessor shall promptly turn over to Lessee all insurance proceeds, if any, arising out of such damage and shall cooperate with Lessee in connection with any adjustment of insurance proceeds. If Lessee does not give notice within such thirty (30)-day period, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

(C) If Lessor does not commence such repairs or restoration within thirty (30) days after the issuance of permits, or complete such repairs or restorations within ninety (90) days after such damage or destruction, Lessee may, at Lessee's option, cancel and terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to the commencement of such repair or restoration. In such event, this Lease shall terminate as of the date of such damage or destruction.

(D) Damage Near End of Term. If the Premises are partially damaged or destroyed during the last twelve (12) months of the last option and/or extension term of this Lease, Lessor may at Lessor's option cancel and terminate this Lease as of the date of the occurrence of such partial damage by giving written notice to Lessee of Lessor's election to do so within thirty (30) days after the date of the occurrence of such damage.

(E) Abatement of Rent; Lessee's Remedies. If the Premises are partially damaged and Lessor or Lessee repairs or restores them pursuant to the provisions of this Paragraph 11, the rent payable thereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired.

12. Condemnation.

(A) If during the Term of this Lease the Premises or a portion of the Premises (the "**Parcel Taken**") shall be taken as a result of the exercise or threat of the power of eminent domain, upon delivery of possession to the condemnor of the Parcel Taken, without further action of the parties, this Lease shall be amended by deleting the Parcel Taken from the description of the Premises, and except as so amended, this Lease and Lessee's obligations under this Lease, with the exception of the rent obligations specified in this Lease, which rent obligations may abate in proportion to the Parcel Taken as of the day on which the condemning authority shall take possession, shall continue in full force and effect without change. In the event that the Parcel Taken does not affect Lessee's operation, there shall be no abatement of rent.

(B) Notwithstanding anything to the contrary in Paragraph 12(A), if as a result of the exercise of the power of eminent domain, the Parcel Taken would render the Premises unsuitable for its Intended Use, this Lease shall be terminated as of the date on which legal title vests in the condemning authority or the date on which Lessor settles pursuant to a contract for the sale for public use or under the threat of condemnation, whichever first occurs, and all rental and other sums payable under this Lease shall be prorated to such date. The entire amount of any award for such taking shall belong to Lessor, and Lessee waives any other right it may have to any portion of such award.

(C) Lessee shall have the right to claim and recover from any condemning authority such compensation as may be awarded or recoverable by Lessee in Lessee's own right on account of any and all damages to Lessee's business by reason of the acquisition or condemnation, and for or on account of any loss, losses or expenses to which Lessee may incur in removing Lessee's merchandise, furniture, fixtures, equipment and leasehold improvements.

13. Maintenance and Repairs.

(A) Lessee shall, at its sole cost and expense, maintain the Premises and make repairs, restorations and replacements to the Premises, including without limitation, windows, doors, plate glass, sewer, mechanical, electrical, plumbing, heating, ventilation and air conditioning systems and all fixtures and appurtenances to the Premises as and when needed, to preserve them in good working order and condition. Lessee shall maintain and repair the parking area and driveways, including clearing of ice and snow from the sidewalks and parking lot, and maintenance and repair of the ground areas. If Lessee fails (after thirty (30) days' notice, except that such period shall be extended if Lessee, within said thirty (30) day period, has commenced and thereafter diligently continues to pursue to cure such failure) to maintain the Premises or make repairs, restorations, or replacements as required in this Paragraph, Lessor may make them

at the expense of Lessee and the expense will be collectible as additional rent to be paid by Lessee within fifteen (15) days after delivery of a statement for the expense.

(B) Lessor shall be responsible for the structural walls, foundation and roof of the building of which the Premises are a part.

14. Environmental. Lessor represents and warrants that, to the best of Lessor's knowledge, no substance or condition exists in or on the Premises that would support a claim or cause of action under any Environmental Law, and no action has been taken with respect to the Premises to remove or eliminate any such substance or condition. Lessor has not received any notice or other communication, written or oral, from any governmental or quasi-governmental authority regarding any such substance or condition. For purposes of this Lease, the term "**Environmental Law**" includes, but is not limited to: (i) any federal, state, or local law, statute or ordinance; (ii) any rule, regulation, interpretation, policy, permit, order or consent decree issued pursuant to any of the foregoing; or (iii) any federal, state or local decisional law which pertains to, governs or otherwise regulates the emission, discharge, release or spill of any substance, including but not limited to a hazardous or toxic substance, or the use, manufacture, processing, sale, treatment, storage, disposal, transportation, or other management of any substance. Lessor shall be responsible for any and all costs, expenses, or liabilities arising from or relating to any environmental contamination existing on the Premises as of the date hereof; Lessee shall be responsible for any and all costs, expenses, or liabilities arising from or relating to any environmental contamination which occurs on the Premises during the term hereof (unless due to the acts or omissions of Lessor or its employees, agents, contractors, invitees or representatives), including any extensions or renewals hereof.

15. Alterations. Lessee shall not make any alterations, improvements or additions to the Premises without first obtaining the written permission of Lessor, which consent shall not be unreasonably withheld. Lessor's prior written consent will not be necessary for any alteration, addition or improvement which: (i) costs less than Five Thousand Dollars (\$5,000) including labor and materials; (ii) does not change the general character of the Premises or reduce the fair market value of the Premises; or (iii) is in compliance with the laws, ordinances, orders, rules, regulations, certificates of occupancy or other governmental requirements.

16. Assignment.

(A) In connection with the execution and delivery of this Lease, on the date even herewith, Lessor and Lessee have executed the Consent and Agreement of Lessor and Collateral Assignment of Lease to evidence Lessor's consent to the assignment of this Lease by Lessee to a MAACO Franchisee, a copy of which is attached as Exhibit "B" hereto.

(B) Lessor agrees to permit Lessee to assign this Lease to a corporation or other legal entity in which Lessee is the principal shareholder.

(C) Lessor agrees that Lessee may transfer its rights under the Lease to a person firm or corporation who shall continue to operate a franchise pursuant to the terms of the

Lease, and who shall agree to assume Lessee's obligations under the Lease. Upon such assignment, Lessee shall have no further liability or obligation under the Lease.

17. Signs and Fixtures.

(A) Lessee shall have the right to erect signs for the purpose of identification of Maaco Collision Repair & Auto Painting services; said signs to conform to any state and/or local restrictions.

(B) Lessee shall also have the right to install in accordance with all governmental regulations any equipment or trade fixtures required in the operation of its business, which shall be deemed personal property subject to repossession for protection of its interests by any conditional sales vendor or equipment lessor or similar seller thereof retaining or obtaining and perfecting under applicable state laws a security interest therein, if applicable.

(C) Upon the expiration or termination of this Lease, Lessee shall remove from the Premises any and all signs as well as any equipment, trade fixtures, improvements and property which it may have installed or placed therein, and Lessee shall repair any damage to the Premises caused by such removal. If Lessee fails to repair any damage to the Premises caused by such removal, Lessor shall make such repairs. Lessee shall pay to Lessor any costs incurred by Lessor in repairing any damage to the Premises and/or in the removal and disposal of any signs and/or equipment as provided in this paragraph.

(D) Lessor agrees to waive its right to distraint upon: (i) trade equipment, inventory or chattels owned by Lessee or the occupant of the Premises and situated upon the Premises; and (ii) any and all decals, signs, logos, descriptive literature and any other printed material bearing the name of Maaco Collision Repair & Auto Painting. Such waiver shall not, however, apply to the building and improvements erected upon the Premises.

18. Liens. If any act or omission of Lessee or claim against Lessee results in a lien or claim of lien against Lessor's title to the Premises, Lessee, upon notice thereof, shall promptly remove or release same by payment of bond or otherwise to fully satisfy said lien. If not so released within fifteen (15) days after notice to Lessee to do so, Lessor may (but need not) pay or discharge any lien without inquiry as to the validity thereof at Lessee's expense and Lessee shall, within ten (10) days after demand for payment of all costs and expenses incurred by Lessor, pay unto Lessor the full amount plus interest at the rate of 1 1/2% per month. Lessee may contest any lien by first furnishing Lessor with a good and sufficient surety bond issued by a reputable surety company.

19. Lessor's Right to Perform and Expenditures. If Lessee shall default in the performance of any covenant on its part to be performed under this Lease, and shall fail to remedy such default with reasonable dispatch after Lessor shall have notified Lessee of such default, Lessor, without being obligated to do so and without thereby waiving such default, may take such action as is commercially reasonable and appropriate to cure such default. Lessor's expenditures and costs in connection therewith, together with 1 1/2% per month interest thereon, shall be at Lessee's expense and shall be payable as additional rent upon the fifteenth (15th) day

of the month next following. Lessee shall also pay all of Lessor's reasonable costs and expenses, including reasonable attorneys', experts' and investigation fees, which may be necessary in the sole discretion of Lessor in enforcing Lessee's obligations hereunder.

20. Waivers. No waiver by either party to this Lease of any provision or default under this Lease, whether in a single instance or repeatedly, shall be deemed a future waiver of such provision or default.

21. Lessor's Representations. Lessor represents and warrants that:

(A) it is legally empowered to execute this Lease and that the person signing this Lease on behalf of Lessor has all authority to do so;

(B) upon the payment by Lessee of the rent and other sums due Lessor, and upon performance of all the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the Premises or the tenancy created under this Lease without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under Lessor, subject nevertheless to the terms and conditions of this Lease. Except as set expressly and specifically forth in this Lease, Lessor has made no representation or warranty regarding the Premises; and

(C) Zoning for the Premises will permit the Intended Use.

22. Option to Extend Term. Provided that Lessee has substantially complied with the terms of this Lease and further provided no default by Lessee then exists under this Lease, Lessee is granted the option to extend the Term of this Lease for two (2) additional periods of five (5) years upon the same terms and conditions stated in this Lease at the rental set forth in Exhibit "A". Lessee may exercise the option to extend the Term of this Lease by providing written notice to Lessor not less than six (6) nor more than nine (9) months prior to the expiration of the then current Lease Term.

23. Defaults and Remedies.

(A) Each of the following events shall constitute an "Event of Default" by Lessee under the Lease:

(1) the appointment of a receiver or trustee for Lessee in any court which appointment is not vacated in thirty (30) days;

(2) the adjudication of Lessee as bankrupt or insolvent;

(3) the Assignment by Lessee for the benefit of creditors;

(4) Lessee's failure to pay any rent or other sums due Lessor when due, and such failure continues for a period of ten (10) days after Lessor gives notice of such failure to Lessee; and

(5) Lessee's failure to comply with any of its other obligations under this Lease and such failure continues for thirty (30) days after Lessor gives notice of such failure to Lessee; provided, however, that if such default cannot reasonably be cured within thirty (30) days after the date of Lessor's notice, Lessee may cure it if Lessee commences such cure within thirty (30) days after the date of such notice and thereafter diligently prosecutes such cure to completion and such cure is cured in full on or before the one hundred and twentieth (120th) day after the date of such notice; or

(B) Upon the occurrence of an Event of Default, Lessor may, by giving further written notice to Lessee at any time thereafter during the continuance of such default, either: (i) terminate this Lease; or (ii) re-enter the Premises by summary legal proceedings or otherwise, expelling Lessee and removing all property therefrom and reletting the Premises at the best possible rent obtainable, making reasonable efforts therefor, and receive the rent therefrom; but Lessee shall remain liable for the equivalent of the amount of all rent payable under this Lease less the proceeds, if any, of reletting; or (iii) avail itself of all the rights, remedies and relief otherwise available to Lessor under this Lease and the laws of the State in which the Premises are located. Any and all deficiencies in payment by Lessee shall be paid monthly to Lessor on the date provided in this Lease for the payment of rent. If any petition shall be filed by or against Lessee under any bankruptcy law to adjudge Lessee insolvent or bankrupt, or to delay, reduce or modify Lessee's debts and obligations, and such petition is not dismissed within sixty (60) days after its filing, or if any assignment of Lessee's property shall be made for the benefit of creditors, Lessor, at its option, may terminate this Lease.

24. Late Payment. Any payment due under this Lease that is received ten (10) or more days after the due date, shall be subject to a late charge equal to five percent (5%) of the amount thereof.

25. Subordination/Attornment. Lessee agrees that this Lease shall be subordinate to any holder of a mortgage encumbering the Premises. If the holder of any mortgage or trust deed encumbering the Premises shall succeed to the rights of Lessor under this Lease, whether through repossession or foreclosure action, deed in lieu of foreclosure or otherwise, then at the request of such party so succeeding to Lessor's rights (sometimes called "**Successor-lessor**") and upon delivery to Lessee of evidence reasonably sufficient to verify such succession and such Successor-lessor's written agreement to accept Lessee's attornment, Lessee shall attorn to and recognize such Successor-lessor as Lessee's lessor under this Lease, and shall promptly execute and deliver any instrument that such Successor-lessor may request to evidence such attornment. Upon such attornment this Lease shall continue in full force and effect as, or as if it were a direct lease between such Successor-lessor and Lessee upon all of the terms, conditions, and covenants as are set forth in this Lease, and the same shall be applicable after such attornment. Successor-lessor shall provide Lessee a statement of non-disturbance recognizing Lessee's rights under this Lease in return for Lessee's execution of any such attornment instrument.

Upon the request of Lessor, Lessee agrees to subordinate its rights under this Lease to the lien of any mortgage hereafter encumbering the Premises, and to attorn to the holder of the mortgage, provided that the holder of such mortgage agrees with Lessee, in writing, that so

long as Lessee is not in default of its obligations under this Lease beyond the period provided herein for the cure of such default, Lessee's possession of the Premises and its interest under the Lease will not be disturbed by reason of a foreclosure of the lien of any such mortgage or a conveyance in lieu thereof, and Lessee will not be named as a party in any such foreclosure except as required by the rules of the applicable court, such agreement to be reasonably satisfactory to Lessee and the holder of such mortgage.

26. Notices. Any and all notices required or permitted under this Lease shall be in writing and shall be personally delivered or mailed by registered or certified mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to Lessor:

Notice to Lessee:

Maaco Franchisor SPV LLC
440 South Church Street, Suite 700
Charlotte, North Carolina 28202

27. Security Deposit. Upon execution of this Lease, Lessee shall deposit with Lessor, a security deposit equivalent to the first month's rent ("**Deposit**") as security for Lessee's faithful performance of Lessee's obligations under this Lease. If Lessee fails to pay rent or other charges due, or otherwise defaults with respect to any provision of this Lease, Lessor may use, apply or retain all or any portion of the Deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby without limiting any other rights or remedies of Lessor under this Lease. If Lessor uses or applies all or any portion of the Deposit, Lessee shall within ten (10) days after written demand, deposit cash with Lessor in an amount sufficient to restore the Deposit to the full amount stated in this Paragraph and Lessee's failure to do so shall be a material breach of this Lease. If Lessee performs all of Lessee's obligations under this Lease, the balance of the Deposit, without payment of interest or other increment shall be returned to Lessee at the expiration of the Term of this Lease, less such sums as shall be required for the payment of damages to the Premises (or at Lessor's option, to the last assignee, if any, of Lessee's interest under this Lease). Any damages to the Premises not repaired by Lessee as required under this Lease will be repaired by Lessor, and the cost for such repairs, shall be deducted from the Deposit. No trust relationship is created between Lessor and Lessee with respect to the Deposit. The parties agree that no part of the Deposit is to be considered as the last payment of Rent due under the terms of this Lease.

28. Security. Lessee shall be responsible for security for the Premises.

29. Termination and Holding Over.

(A) In the event Lessee does not elect to extend the Term of this Lease as provided in Paragraph 22, it is agreed that this Lease shall terminate without notice by either party, upon the expiration of the Term.

(B) In the event Lessee holds possession of the Premises after the expiration of the Term, Lessee will be a tenant from month to month under the terms of this Lease.

30. Mitigation of Damages. If Lessee is evicted, if this Lease is terminated, or if the Lessee is otherwise unable or unauthorized to occupy the Premises, Lessor shall take all reasonable steps to mitigate its damages and re-let the premises. Among other things, Lessor shall list the Premises for rent with a broker or real estate agent; place a "For Rent" sign in a conspicuous place at the Premises; advertise the Premises for rent in a newspaper or other periodical of general circulation; and take such others steps as may be reasonably necessary to locate a new lessee for the Premises.

31. Meaning of Words. The words "Lessor" and "Lessee" shall mean respectively all parties of Lessor or Lessee, regardless of number, and the word "he" shall be synonymous with "she", "it" and "they", and the word "his" shall be synonymous with "her", "its" and "their". If the Term of this Lease is extended in the manner provided in Paragraph 22, the word "Term" shall thereafter mean the Term of this Lease as so extended.

32. Remedies Cumulative. All remedies of the parties are cumulative.

33. Captions. The captions of this Lease are for convenience only and shall not be construed as defining or modifying any of the provisions of this Lease.

34. Governing Law. This Lease shall be governed by the laws of the state where Premises are located.

35. Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

36. Entire Agreement. This Lease and any Exhibits attached to this Lease shall constitute the entire integrated agreement between the parties with respect to the Premises and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

37. Legal Fees. In the event that it becomes necessary for either party to retain the services of legal counsel to enforce the terms of this Lease, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Lease.

38. Broker. Lessor and Lessee represent and warrant to each other that they have not dealt with any real estate agent or broker in connection with this transaction, and each agrees to

indemnify and save the other harmless from and against all liability, damage, loss, cost and expense incurred by reason of the indemnitor's breach of said representation and warranty. Lessor shall pay the Broker's commission in accordance with a separate agreement executed by and between Lessor and Broker.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

LESSOR:

LESSEE: Maaco Franchisor SPV LLC

By: _____

By: _____

EXHIBIT “A”
RENT SCHEDULE

YEAR

MONTHLY RENT

YEARLY RENT

OPTION PERIOD

EXHIBIT "B"

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor, under the Lease dated _____, ____ between Lessor and _____ (collectively, "Assignor"), hereby approves the attached Collateral Assignment of Lease (the "Collateral Assignment") between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal offices at 440 South Church Street, Suite 700 Charlotte, North Carolina 28202 ("MAACO") and Assignor. In connection with the Collateral Assignment, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and MAACO agree as follows:

(a) Lessor shall notify MAACO in writing of any default by Assignor under the Lease as and when such defaults occur;

(b) Pursuant to the Collateral Assignment, in the event Assignor defaults in its obligations under the Lease or under its Franchise Agreement for a Maaco Collision Repair & Auto Painting Center (the "Franchise Agreement"), MAACO shall have the right, but not the obligation, and is hereby empowered to take possession of the Premises demised by the Lease, and in such event, Assignor shall have no further right, title or interest in the Lease;

(c) MAACO may exercise its rights under the Collateral Assignment upon the occurrence of either of the following events: (i) Lessor's receipt of notice from MAACO that Assignor is in default of the Franchise Agreement and has failed to cure within the time prescribed thereunder, or (ii) MAACO's receipt of any notice of default by Assignor under the Lease, in which event, if MAACO elects to exercise its rights under the Collateral Assignment, it shall, within thirty (30) days of MAACO's or Lessor's receipt of the applicable notice, as set forth above, notify Lessor of its intention to take possession of the Premises with no liability for any default of Assignor up to the point MAACO assumes the Lease;

(d) In the event MAACO exercises its rights under the Collateral Assignment, Lessor shall take all action necessary to retake the Premises and deliver same to MAACO. Such action shall include, without limitation, termination, eviction and legal action and MAACO shall have no obligation under the Collateral Assignment until the Premises are lawfully tendered to it;

(e) If MAACO takes possession of the Premises demised by the Lease and confirms to Lessor the assumption of the Lease by MAACO as lessee thereunder, Lessor shall recognize MAACO as lessee under the Lease;

(f) Lessor agrees that MAACO may further assign the Lease to a person, firm or corporation who shall agree to assume lessee's obligations under the Lease, and upon such assignment, MAACO shall have no further liability or obligation under the Lease as Assignee, lessee or otherwise;

(g) Upon termination or expiration of the Franchise Agreement or the Lease Agreement, MAACO shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display

MAACO's Proprietary Marks associated with the Maaco Collision Repair & Auto Painting System, including without limitation, all signs, advertising materials, stationery and forms. MAACO's right to re-enter shall not be deemed as trespassing.

All terms capitalized, but not defined herein, shall and have the meaning ascribed thereto in the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Agreement of Lessor this _____ day of _____, ____.

LANDLORD:

By: _____

Maaco Franchisor SPV LLC

By: _____

EXHIBIT "B"

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns, transfers and sets over unto Maaco Franchisor SPV LLC, a Delaware limited liability company ("Assignee"), all of Assignor's right, title and interest as lessee in, to and under that certain lease, a copy of which is attached hereto (the "Lease"), respecting the premises located at _____ (the "Premises").

This Collateral Assignment of Lease (the "Collateral Assignment") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Collateral Assignment or the Lease unless Assignee shall take possession of the Premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder. Assignor hereby agrees to indemnify and hold harmless Assignee from and against all claims and demands of any type, kind or nature made by any third party, which arise out of or are in any manner connected with Assignor's use and occupancy of the Premises.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and its interest therein.

Upon a default by Assignor under the Lease or a default under the Franchise Agreement for a Maaco Collision Repair & Auto Painting Center between Assignee and Assignor (the "Franchise Agreement"), which is not cured within the time prescribed, or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement which is not cured within the time prescribed therein, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, have Assignor expelled therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease. Assignor shall reimburse Assignee for the costs and expenses incurred in connection with any such retaking, including, but not limited to the payment of any back rent and other payments due under the Lease whether the payments are made by guaranty or separate agreement with Lessor or otherwise, attorneys' fees and expenses of litigation incurred in enforcing this Collateral Assignment, brokerage fees and commissions, costs incurred in reletting the Premises and putting the Premises in good working order and repair.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

Upon termination or expiration of the Franchise Agreement or the Lease MAACO shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises for the removal of all articles which display MAACO's Proprietary Marks associated with the MAACO System, including without limitation, all signs, advertising materials, stationery and forms. MAACO's right to re-enter shall not be deemed as trespassing.

All terms capitalized, but not defined herein, shall and have the meaning ascribed thereto in the Lease.

I HAVE READ THE ABOVE COLLATERAL ASSIGNMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS COLLATERAL ASSIGNMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

The obligations of Assignor hereunder shall be individual, joint and several.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties have executed this Collateral Assignment of Lease on the _____ day of _____, ____.

ASSIGNEE: Maaco Franchisor SPV LLC

By:_____

ASSIGNOR: _____

EXHIBIT Q

WAIVER AND RELEASE

For consideration which I acknowledge, I irrevocably grant Maaco Franchisor SPV LLC ("MAACO") and its successors, assigns and licensees the right to use my image, name, statement(s) and/or endorsement(s) ("Information") in all forms and media including composite or modified representations for all purposes, including advertising, trade or any commercial purpose throughout the world. I waive any right to inspect or approve versions of my Information used for publication. I release MAACO and its successors, assigns and licensees from any claims that may arise regarding the use of my Information including any claims of defamation, invasion of privacy, rights of publicity or copyright.

I have read and understood this agreement and I am over the age of 18. This Agreement expresses the complete understanding of the parties.

Name: _____

Date: _____

Signature: _____

Address: _____

EXHIBIT R

**INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT COMPLIANCE
QUESTIONNAIRE**



**International Emergency Economic Powers Act
Compliance Questionnaire**

Pursuant to 50 USC §1701 the undersigned franchise applicant (“Applicant”) is required to complete the following:

1. Were you born in the U.S.? ☐ YES ☐ NO
2. If No, are you a U.S. Citizen? ☐ YES ☐ NO
3. If you are not a U.S. citizen,
 - a. Of what country are you a citizen? _____
 - b. What is your immigration status? _____
4. Identification/Social Security No.: _____
5. Please provide a copy of a picture I.D. (e.g., driver’s license, passport, etc.)

Applicant represents that “neither he/she nor anyone having an ownership or other interest in the MAACO franchise that he/she is purchasing, nor any affiliate, parent, child or spouse of the Applicant supports terrorism, provides money or financial services to terrorists, or is engaged in terrorism, is on the current U.S. government list of organizations that support terrorism, nor has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and all are eligible under applicable U.S. immigration laws to travel to the United States for MAACO’s training and to open and operate a Maaco Collision Repair and Auto Painting Center or similar business.

Date

Franchise Applicant

EXHIBIT S

RELEASE OF TELEPHONE NUMBER & TRANSFER OF TELEPHONE SERVICE

This telephone release ("Release") is entered into and made by the undersigned franchisee ("Franchisee") in favor of Maaco Franchisor SPV LLC, a Delaware limited liability company with its place of business located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202.

WHEREAS, Maaco Franchisor SPV LLC is the national franchisor of Maaco Collision Repair & Auto Painting Centers throughout North America;

WHEREAS, Franchisee has executed a Maaco Franchisor SPV LLC Franchise Agreement (the "Franchise Agreement") for the operation of a Maaco Collision Repair & Auto Painting Center located at _____, and identified by Maaco Franchisor SPV LLC as Center No. _____, which provides that the telephone number used in the operation of Franchisee's Maaco Collision Repair & Auto Painting Center shall be, to the extent allowed by the local telephone company, the property of Maaco Franchisor SPV LLC;

WHEREAS, the telephone service associated with this telephone listing is to be established under the name Maaco Franchisor SPV LLC;

WHEREAS, the telephone numbers and listings have been procured for Franchisee's use by or at the direction of Maaco Franchisor SPV LLC;

WHEREAS, Franchisee acknowledges and understands that the telephone listing will be used by Franchisee in the operation of its Maaco Collision Repair & Auto Painting Center, will be displayed in various directory listings and yellow page advertisements in conjunction with Maaco Franchisor SPV LLC's name and federally registered trade names, trademarks and service marks (collectively, "MAACO's Proprietary Marks"), and that MAACO's Proprietary Marks are the sole and exclusive property of Maaco Franchisor SPV LLC;

WHEREAS, Franchisee acknowledges that the MAACO's Proprietary Marks, and the goodwill associated with MAACO's Proprietary Marks are of the greatest value to Maaco Franchisor SPV LLC, and that if Franchisee's Maaco Collision Repair & Auto Painting franchise license were to be terminated or otherwise discontinued, or Franchisee were to cease operating its Maaco Collision Repair & Auto Painting Center, but retained the use and control of the telephone listing referred to in this Release, Maaco Franchisor SPV LLC would be irreparably harmed and without an adequate remedy at law. Under those conditions Maaco Franchisor SPV LLC would be entitled to a temporary, preliminary and/or permanent injunction without the need to show actual or threatened harm;

WHEREAS, because the telephone listing will be in the name of Maaco Franchisor SPV LLC, Maaco Franchisor SPV LLC may be called from time-to-time to guaranty the payment of the invoices associated with the telephone service that accompanies this telephone listing;

WHEREAS, Franchisee acknowledges that in the event that Maaco Franchisor SPV LLC is called upon to guaranty the payment of the telephone service accompanying this telephone listing, or if Franchisee's franchise is terminated or Franchisee ceases to operate its Maaco Center under the name Maaco Collision Repair & Auto Painting for any reason, then in order to protect the subject telephone listing as being associated with the Maaco Franchisor SPV LLC system, Franchisee would be required to assign and transfer the telephone listing to Maaco Franchisor SPV LLC;

NOW, THEREFORE, for and in partial consideration for the use of MAACO's Proprietary Marks in various Yellow Page directories, Franchisee hereby authorizes the telephone company, upon written notice from Maaco Franchisor SPV LLC, to transfer all telephone listings ("Telephone Listings"), together with the telephone service used in conjunction with the Telephone Listings, regardless of any code that may be placed upon such listings, to Maaco Franchisor SPV LLC, in the event the Franchise Agreement is terminated, or Franchisee ceases operating a Maaco Collision Repair & Auto Painting Center;

In the event the Franchise Agreement is terminated, or Franchisee ceases operating a Maaco Collision Repair & Auto Painting Center, or Maaco Franchisor SPV LLC is called upon to honor or satisfy any guaranty of the Telephone Listings by the telephone company, Franchisee grants to Maaco Franchisor SPV LLC, the irrevocable right to have these Telephone Listings removed, transferred, or suspended, from Franchisee's place of business in accordance with the terms of the Franchise Agreement. Further, in such event, Franchisee hereby acknowledges and agrees that the telephone company shall have the right, authority and obligation to transfer the Telephone Listings to Maaco Franchisor SPV LLC as detailed in this Release regardless of any code or protection that is or has been placed upon such telephone listing.

In transferring the Telephone Listings to Maaco Franchisor SPV LLC in accordance with the terms of this Release, Franchisee hereby relinquishes any and all right, title and interest it may have in and to the Telephone Listings, and further agrees that in the event that the form of this Release is not in a form that is acceptable to the telephone company, then Franchisee agrees to execute any document or documents that the telephone company may require to accomplish the matters recited in this Release. On failure of Franchisee to so execute documents required by the telephone company, Franchisee hereby appoints Maaco Franchisor SPV LLC as its lawful attorney-in-fact to execute such documents in the name of Franchisee for the purpose of effecting the transfer of the Telephone Listings to Maaco Franchisor SPV LLC.

Furthermore, at any time during the term of the Franchise Agreement or upon or subsequent to the termination of the Franchise Agreement, Franchisee hereby authorizes Maaco Franchisor SPV LLC to place a protective code on the Telephone Listings restricting access to the listings from unauthorized individuals, including Franchisee, in order to protect the franchise system in the event that Franchisee ceases operating its business as a Maaco Collision Repair & Auto Painting Center.

Executed this _____ day of _____, _____.

Franchisee:

(Corporation/Company Name):

By: _____
Name/Title

EXHIBIT T

TABLE OF CONTENTS MANUAL

CENTER OPERATING PROCEDURES MANUAL

Marketing & Sales	127 Pages
Technical Topics	58 Pages
Production Management	61 Pages
Management Information Systems	144 Pages
Personnel Management	119 Pages
Polaris	95 Pages
TOTAL PAGES	604 Pages

NATIONAL ACCOUNTS MANUAL

MISSION STATEMENT	1 Page
INTRODUCTION	2 Pages
HOW TO USE THIS BOOK	2 Pages
IMPORTANT POINTS AND STRATEGIES	14 Pages
COMPANY LISTINGS	130 Pages
TOTAL PAGES	149 Pages

PUBLIC RELATIONS MANUAL

Introduction	2 Pages
Public Relations Assistance	4 Pages
Media Contacts	3 Pages
Grand Openings	14 Pages
Community Activities	20 Pages
Exhibit Marketing Program	42 Pages
Half-And-Half Vehicle	2 Pages
Approach to Business World	14 Pages
Approach to Insurance Industry	3 Pages
News Releases	54 Pages
PR/Advertising Specials	7 Pages
Promotional Items	6 Pages
TOTAL PAGES	171 Pages

PRINTZ ADVERTISING MANUAL

PREFACE	3 Pages
MEDIA	11 Pages
SERVICE DEPARTMENT	2 Pages
FORMS	9 Pages
PRINT ADS	101 Pages
CLASSIFIED	5 Pages
FLEET ADS	2 Pages
TOTAL PAGES	133 Pages

INSTALLATION MAINTENANCE MANUAL

Cover Page	1 Page
Maintenance Checklist	3 Pages
Maintenance Bulletins	29 Pages
Motor Information	1 Page
Spray Booth	45 Pages
Compressors	70 Pages
Drying Enclosure	29 Pages
Tools	70 Pages
Service Companies	1 Page
Miscellaneous	15 Pages
TOTAL PAGES	263 Pages

HEALTH AND SAFETY MANUAL

Health and Safety

84 Pages

EXHIBIT U

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE REGULATORY AUTHORITIES

California

Department of Business Oversight
320 West 4th St., Ste. 750
Los Angeles, CA 90013-2344
(213) 576-7500

Connecticut

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8233

Florida

Florida Dept. of Agriculture
and Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, FL 32314
(850) 488-2221

Hawaii

Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
302 W. Washington Street
Room E-111
Indianapolis, IN 46204
(317) 232-6681

Iowa

Iowa Securities Bureau
340 Maple
Des Moines, IA 50319-0066
(515) 281-4441

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-7042

Michigan

Consumer Protection Division
Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-6328

Nebraska

Dept. of Banking and Finance
Suite 311
1200 N Street
P.O. Box 95006
Lincoln, NE 68509
(402) 471-3445

New York

Office of the New York State Attorney General
Investor Protection Bureau of
Franchise Section
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8236 (Phone)
(212) 416-6042 (Fax)

North Dakota

North Dakota Securities Department
Office of Securities Commissioner
5th Floor
600 East Boulevard
Bismarck, ND 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, OR 97310
(503) 378-4140

Rhode Island

Director, Dept. of Business
Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920-4407
(401) 462-9500

South Dakota

Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, SD 57501-3185
(605) 773-4823

Texas

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

Utah

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, UT 84114-6704
(801) 530-6601

Virginia

State Corporation Commission
Division of Securities &
Retail Franchising
1300 E. Main St. 9th floor
Richmond, VA 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Dept. of Financial Institutions
Division of Securities
P.O. Box 1768
Madison, WI 53701
(608) 266-2801

Federal Trade Commission

Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, DC 20580
(202) 326-3128

FRANCHISOR'S AGENTS FOR SERVICE OF PROCESS

*Duplicate documents to be served at these addresses

California

Commissioner of Business Oversight
California Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

*National Registered Agents, Inc.
2875 Michelle Drive, Suite 100
Irvine, CA 92606

Florida

Florida Dept. of Agriculture
and Consumer Services
Division of Consumer Services
2005 Apalachee Parkway
Tallahassee, FL 32399-6500

*NRAI Services, Inc.
2731 Executive Park Drive Suite 4
Weston, FL 33331

Hawaii

Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

*National Registered Agents of HI, Inc.
1136 Union Mall, Suite 301
Honolulu, HI 96813

Illinois

Office of Attorney General
500 S. Second Street
Springfield, IL 62706

*National Registered Agents, Inc.
200 West Adams Street
Chicago, IL 60606

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
Room E-018
302 West Washington Street
Indianapolis, IN 46204

*National Registered Agents, Inc.
320 N. Meridian Street
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place, 20th Floor
Baltimore, MD 21202

*National Registered Agents, Inc. of MD
836 Park Avenue
Second Floor
Baltimore, MD 21201

Michigan

Consumer Protection Division
Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, MI 48909
(517) 373-7117

*National Registered Agents, Inc.
712 Abbott Road
East Lansing, MI 48823

Minnesota

Commissioner of Securities
Minnesota Dept. of Commerce
Market Assurance Division
85 7th Place East, Ste. 500
St. Paul, MN 55101-2198

*National Registered Agents, Inc.
Capitol Professional Bldg.
590 Park Street, Suite 6
St. Paul, MN 55103

New Jersey

National Registered Agents, Inc. of NJ
100 Canal Pointe Boulevard, Suite 108
Princeton, NJ 08540

New York

Attention: Uniform Commercial Code
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

*National Registered Agents, Inc.
875 Avenue of the Americas Suite 501
New York, NY 10001

North Carolina
Legal Department
Ally Center
440 South Church Street
Suite 700
Charlotte, NC 28202

North Dakota
Securities Commissioner
5th Floor
600 E. Boulevard
Bismarck, ND 58505-0510

*National Registered Agents, Inc.
220 North Fourth Street
Bismarck, ND 58501

Pennsylvania
National Registered Agents, Inc.
County of Dauphin Pennsylvania

Rhode Island
Dir. of Business Regulations
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920

*National Registered Agents, Inc.
222 Jefferson Boulevard
Suite 200
Warwick, RI 02888

South Dakota
Director of Division of Securities
Dept. of Labor and Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-3185

*National Registered Agents, Inc.
300 South Phillips Avenue
Suite 300
Sioux Falls, SD 57104-6322

Texas
National Registered Agents, Inc.
16055 Space Center Blvd.
Suite 235
Houston, TX 77062

Utah
Utah Dept. of Commerce
Division of Consumer Protection
160 East Three Hundred South
Salt Lake City, UT 84114-6704

*National Registered Agents, Inc.
3622 W. Bay Circle
Lehi, UT 84043

Virginia
Clerk of State Corporation
Commission of Virginia
1300 E. Main St.
Richmond, VA 23219

*National Registered Agents, Inc.
526 King Street
Alexandria, VA 22314

Washington
Director, Dept. of Financial Institutions
Securities Division
150 Israel Road SW
Olympia, WA 98501

*National Registered Agents, Inc.
1780 Barnes Boulevard, S.W.
Bldg. G
Tumwater, WA 98512-0410

Wisconsin
Office of Commissioner of Securities
Department of Financial Institutions
Division of Securities
201 W. Washington Ave.
Suite 300
Madison, WI 53703

*National Registered Agents, Inc.
901 South Whitney Way
Madison, WI 53711

EXHIBIT V

STATE-SPECIFIC ADDITIONAL DISCLOSURES AND RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
MAACO FRANCHISOR SPV LLC**

The following are additional disclosures for the Franchise Disclosure Document of Maaco Franchisor SPV LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. OUR WEBSITE, www.maaco.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

4. The following is added at the end of Item 3 of the Franchise Disclosure Document:

Neither we, nor any person in Item 2 of the disclosure document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

5. The following paragraphs are added at the end of Item 17 of the Franchise Disclosure Document:

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement provides for termination upon insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 *et seq.*).

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement requires application of the laws of the State of North Carolina. This provision might not be enforceable under California law.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

6. The following sentence is added to the “Remarks” column of the line-item titled “Interest on Late Payments” in Item 6 of the Franchise Disclosure Document:

The highest interest rate allowed under California law is 10% annually.

7. Item 15 of the Franchise Disclosure Document is amended to include the following provision:

We may require your spouse, or the spouse of an owner of yours (if you are a legal entity), to sign a personal guarantee making your (or your owner’s) spouse individually liable for your (or your owner’s) financial obligations under the Franchise Agreement. The guarantee will place your (or your owner’s) spouse’s marital and personal assets at risk if your franchise fails.

A copy of the unaudited balance sheet of Maaco Franchisor SPV LLC as of March 26, 2016 immediately follows these California state amendments to the Franchise Disclosure Document.

Maaco Franchisor SPV LLC
Consolidated balance sheet
As of March 26, 2016
UNAUDITED

	(000)
Assets	\$
Current assets:	
Cash and cash equivalents	350
Accounts and notes receivable, net of allowance	1,143
Prepays and other assets	-
Total current assets	1,493
Accounts and notes receivable, net of allowance	-
Intangible assets, net	234,273
	235,766
Liabilities and member's equity	\$
Current liabilities:	
Total current liabilities	-
Long-term debt	-
Total liabilities	-
Member's equity:	
Members' equity	235,766
Total member's equity	235,766
	235,766

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

MARYLAND

1. The “Summary” sections of Item 17(c) and Item 17(m) of the Franchise Disclosure Document, entitled “Requirements for franchisee to renew or extend” and “Conditions for franchisor approval of transfer,” are amended by adding the following:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The “Summary” section of Item 17(h) of the Franchise Disclosure Document, entitled “‘Cause’ defined – non-curable defaults,” is amended by adding the following:

The Franchise Agreement provides for termination upon your insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 *et seq.*), but we will enforce it to the extent enforceable.

3. The “Summary” section of Item 17(v) of the Franchise Disclosure Document, entitled “Choice of Forum,” is amended to read as follows:

Litigation in the county or district court where our then current principal offices are located (currently in Charlotte, North Carolina), although you may commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following is added at the end of the chart in Item 17 of the Franchise Disclosure Document:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

1. The following is added at the end of Item 13 of the Franchise Disclosure Document:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Proprietary Marks, we will protect your rights to use the Proprietary Marks and will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Proprietary Marks, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12 Subd. 1(g).

2. The following is added at the end of the chart in Item 17 of the Franchise Disclosure Document:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain

specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. Those provisions also provide that nothing in the disclosure document or Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NORTH DAKOTA

1. The following is added to the end of the "Summary" sections of Item 17(c) of the Franchise Disclosure Document, entitled "Requirements for franchisee to renew or extend," and Item 17(m) of the Franchise Disclosure Document, entitled "Conditions for franchisor approval of transfer by franchisee":

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The following is added to the end of the "Summary" section of Item 17(r) of the Franchise Disclosure Document, entitled "Non-competition covenants after the franchise is terminated or expires":

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. The "Summary" section of Item 17(u) of the Franchise Disclosure Document, entitled "Dispute resolution by arbitration or mediation," is deleted and replaced with the following:

All disputes will be litigated. We will not require you to consent to the waiver of a trial by jury, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

4. The following is added to the end of the "Summary" section of Item 17(v) of the Franchise Disclosure Document, entitled "Choice of forum":

; however, to the extent required by applicable law, you may bring an action in North Dakota.

5. The following is added to the end of the “Summary” section of Item 17(w) of the Franchise Disclosure Document, entitled “Choice of law”:

To the extent required by law, North Dakota law applies.

RHODE ISLAND

The following language is added to the end of the “Summary” sections of Item 17(v) of the Franchise Disclosure Document, entitled “Choice of forum,” and Item 17(w) of the Franchise Disclosure Document, entitled “Choice of law”:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

VIRGINIA

The following language is added to the end of the “Summary” section of Item 17(e) of the Franchise Disclosure Document, entitled “Termination by franchisor without cause”:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

The following paragraph is added at the end of the chart in Item 17 of the Franchise Disclosure Document:

If any of the provisions in this disclosure document or the Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the “Act”), the Act’s provisions will prevail over the inconsistent provisions of the disclosure document and/or the Franchise Agreement with regard to any franchises sold in Washington. However, you acknowledge that we intend to enforce all such provisions to the extent allowed under the Act.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

RIDER TO THE MAACO FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal business address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), and _____, whose principal business address is _____. (“Franchisee”).

1. **BACKGROUND.** MAACO and Franchisee are parties to that certain Franchise Agreement dated _____, 201__ (the “Agreement”). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) Franchisee is a resident of Maryland, and/or (b) the Maaco Center that Franchisee will operate under the Agreement will be located in Minnesota.

2. **RELEASES.** The following is added to the end of Paragraphs 2B, 2E, 2H, 3B(5), 14B(2), and 16I of the Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY.** The following sentence is added to the end of Paragraph 15A of the Agreement:

Paragraph 15A(1) may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 *et seq.*).

4. **NON-WAIVER.** The following is added to the end of Paragraph 21 of the Agreement:

All representations requiring Franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. **CONSENT TO JURISDICTION.** The following language is added to the end of Paragraph 25B of the Agreement:

Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **LIMITATIONS OF LEGAL CLAIMS.** The following sentence is added as a new Paragraph 25F of the Agreement:

F. Franchisee must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after MAACO grants Franchisee

the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider on this ____ day of _____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Attest: _____

RIDER TO THE MAACO FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal business address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), and _____, whose principal business address is _____. (“Franchisee”).

1. **BACKGROUND.** MAACO and Franchisee are parties to that certain Franchise Agreement dated _____, 201__ (the “Agreement”). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) the Maaco Center that Franchisee will operate under the Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in Minnesota.

2. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following is added as a new Paragraph 9F of the Agreement:

Provided Franchisee has complied with all provisions of this Agreement applicable to the Proprietary Marks, MAACO will protect Franchisee’s right to use the Proprietary Marks and will indemnify Franchisee from any loss, costs or expenses arising out of any claims, suits or demands regarding Franchisee’s use of the Proprietary Marks in accordance with and to the extent required by Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **RELEASES.** The following is added to the end of Paragraphs 2B, 2E, 2H, 3B(5), 14B(2), and 16I of the Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **RENEWAL AND TERMINATION.** The following is added as new Paragraphs 2I and 15D of the Agreement:

However, with respect to franchises governed by Minnesota law, MAACO will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

5. **GOVERNING LAW.** The following statement is added to the end of Paragraph 25A of the Agreement:

Nothing in this Agreement will abrogate or reduce any of Franchisee’s rights under Minnesota Statutes Chapter 80C or Franchisee’s right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **CONSENT TO JURISDICTION.** The following language is added to the end

of Paragraph 25B of the Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit MAACO, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this agreement will abrogate or reduce any of Franchisee's rights under Minnesota statutes Chapter 80C or Franchisee's rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider on this ____ day of _____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Attest: _____

**RIDER TO THE MAACO FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is made and entered into between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal business address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), and _____, whose principal business address is _____ (“Franchisee”).

1. **BACKGROUND.** MAACO and Franchisee are parties to that certain Franchise Agreement dated _____, 201__ (the “Agreement”). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) Franchisee is a resident of North Dakota and the Maaco Center that Franchisee will operate under the Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Paragraphs 2B, 2E, 2H, 3B(5), 14B(2), and 16I of the Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **COVENANT NOT TO COMPETE.** The following is added as a new Paragraph 18G of the Agreement:

G. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, MAACO will enforce the covenants to the maximum extent the law allows.

4. **GOVERNING LAW.** The following statement is added to the end of Paragraph 25A of the Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law shall apply.

5. **CONSENT TO JURISDICTION.** The following language is added to the end of Paragraph 25B of the Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

6. **COSTS AND ATTORNEYS’ FEES.** The following is added to the end of Paragraph 25E of the Agreement:

Provisions requiring franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement have been determined to be unfair, unjust

and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law; however, MAACO will enforce the provision to the maximum extent the law allows.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider on this ____ day of ____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____
Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____
Title: _____

Attest: _____

**RIDER TO THE MAACO FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal business address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), and _____, whose principal business address is _____ (“Franchisee”).

1. **BACKGROUND.** MAACO and Franchisee are parties to that certain Franchise Agreement dated _____, 201__ (the “Agreement”). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) Franchisee is a resident of Rhode Island and the Maaco Center that Franchisee will operate under the Agreement will be located or operated in Rhode Island; and/or (b) any of the offering or sales activity relating to the Agreement occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following statement is added to the end of Paragraph 25A and Paragraph 25B of the Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider on this ____ day of ____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Attest: _____

**RIDER TO THE MAACO FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

THIS RIDER is made and entered into between Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal business address at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO”), and _____, whose principal business address is _____ (“Franchisee”).

1. **BACKGROUND.** MAACO and Franchisee are parties to that certain Franchise Agreement dated _____, 201__ (the “Agreement”). This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) Franchisee is a resident of Washington; and/or (b) the Maaco Center that Franchisee will operate under the Agreement will be located or operated in Washington; and/or (b) any of the offering or sales activity relating to the Agreement occurred in Washington.

2. **WASHINGTON LAW.** The following is added to the end of the Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “Act”), the Agreement shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in Franchisee’s relationship with MAACO, including the areas of termination and renewal of Franchisee’s franchise. There may also be court decisions which might supersede this Agreement in Franchisee’s relationship with MAACO, including the areas of termination and renewal of Franchisee’s franchise.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW shall prevail.

To the extent required by the Act, a release or waiver of rights executed by Franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, might not be enforceable; however, MAACO and Franchisee agree to enforce those provisions as written to the maximum extent the law allows.

To the extent required by the Act, transfer fees are collectable to the extent that they reflect MAACO’s reasonable estimate or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider on this ____ day of _____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Attest: _____

EXHIBIT W
GUARANTY OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, **DRIVEN SYSTEMS LLC**, a Delaware limited liability company located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of **MAACO FRANCHISOR SPV LLC**, located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2016 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Charlotte, North Carolina on the 11th day of May, 2016.

GUARANTOR:

DRIVEN SYSTEMS LLC

By: 

Name: Noah Pollack

Title: Executive Vice President & Secretary

EXHIBIT X

CONVERSION AGREEMENT

THIS CONVERSION AGREEMENT (the “Agreement”) entered into as of this ___ day of _____, _____, by and between _____, a(n) _____ with its principal office located at _____ (“Converter” or “Franchisee”), and Maaco Franchisor SPV LLC, a Delaware limited liability company with its corporate office located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 (“MAACO” or “Franchisor”).

WHEREAS, MAACO is the national Franchisor of Maaco Collision Repair and Auto Painting centers (“Maaco Centers”), which are located throughout the United States and parts of Canada;

WHEREAS, Converter has purchased a MAACO franchise license, which has been assigned center number _____ by MAACO (“Center No. _____”);

WHEREAS, Converter wishes to open Center No. _____ at a location which has an existing operating business;

WHEREAS, Converter desires to convert the existing business to a Maaco Center under the terms and conditions of this Agreement (“Conversion Center”); and

WHEREAS, in order to induce Converter to convert the existing location to a Maaco Center, MAACO will enter into this Conversion Agreement that will provide MAACO and Franchisee with certain incentives to open and operate the location as a Maaco Center.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Converter agrees to convert his Conversion Center to a franchised Maaco Center using the MAACO license for Center No. _____ to operate the Conversion Center as a Maaco Center in accordance with the terms and conditions of this Agreement, and in accordance with the terms and conditions of the governing MAACO Franchise Agreement, which Franchisee will sign contemporaneously with this Agreement.

2. If there is a conflict between the terms of this Agreement and the terms of Franchisee’s governing MAACO Franchise Agreement, this Agreement shall control.

3. Franchisee acknowledges that he has submitted the Conversion Center to MAACO for review and approval, and the Conversion Center has been approved by MAACO, so Converter will not be required to take any additional action in order to comply with the location approval requirements contained in Paragraph 2(B) of the governing MAACO Franchise Agreement. The location for the converted Maaco Center will be _____.

4. Paragraph 3 of the MAACO Franchise Agreement is amended to provide that the term of the franchise shall begin on the Effective Date and expire fifteen (15) years from the

earlier of: (a) the date the Conversion Center begins operating as a Maaco Center, as MAACO determines; or (b) the date twelve (12) weeks following the Effective Date.

5. Upon the opening of the Conversion Center, Converter shall display the MAACO name and signage so designating the business as a Maaco Center.

6. Upon the execution of this Agreement, Converter shall sign MAACO's then current telephone release, which assigns to MAACO the rights to the current telephone listing or new telephone listing for the Conversion Center. Such telephone listing shall be placed in the next available MAACO Yellow Pages listing and advertisement for the market in which the Conversion Center is located.

7. Upon executing this Agreement Franchisee shall take the necessary steps to cancel their current Yellow Pages Advertisements for the business that is now being conducted at the conversion location, and he shall not renew such Yellow Pages advertisements or telephone listings in the Yellow Pages for his formerly operated business.

8. Franchisee shall display the MAACO sign at their Conversion Center as soon as practicable after the execution of this Agreement, but in no event later than thirty (30) days from the date of this Agreement. Franchisee shall cause to be removed from the Conversion Center all signage and other items that affiliates him with his former business. The removal of these items shall be completed within one hundred eighty (180) days from the date of this Agreement.

9. Franchisee shall hold harmless and indemnify MAACO, including attorneys' fees, from and against any claims, damages, judgments, liability brought or received from or by any third party relating to the Conversion Center that occurred prior to its opening as a Maaco Center pursuant to this Agreement.

10. In partial consideration for Converter converting the Conversion Center to a franchised Maaco Center, and notwithstanding the language contained in Paragraph 5A(1), and in lieu thereof, Converter shall pay to MAACO an initial franchise fee of \$_____, which shall be deemed fully earned and non-refundable, except as noted herein.

11. During the initial three (3) years of operation, Converter agrees to pay MAACO a reduced continuing weekly royalty fee in the following manner and Paragraph 5A(4) of the MAACO Franchise Agreement is amended as follows:

- i. In **Year 1** of operation, Converter shall pay MAACO a weekly royalty fee of 3% of gross receipts of the Center.
- ii. In **Year 2** of operation, Converter shall pay MAACO a weekly royalty fee of 5% of gross receipts of the Center.
- iii. In **Year 3** of operation, Converter shall pay MAACO a weekly royalty fee of 8% of gross receipts of the Center.

- iv. For each year after the third year of operation until the end of the Term of the Franchise Agreement, Converter shall pay standard weekly royalty fees of 9% in accordance with Paragraph 5 of the Franchise Agreement.

12. Upon the execution of this Agreement, Converter shall pay to MAACO an Advertising Fee in the amount of \$15,000, which shall be in lieu and instead of the Advertising Fee enumerated in Paragraph 6.1(A) of the governing MAACO Franchise Agreement

13. Converter shall begin paying all royalties and advertising contributions the first week after the Effective Date and they shall pay such advertising contributions and Royalties in accordance with the terms of the governing MAACO Franchise Agreement.

14. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement other than the MAACO Franchise Disclosure Document and the governing MAACO Franchise Agreement. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement will be deemed to confer any rights or remedies on any person or legal entity not a party hereto.

15. Unless otherwise modified by this Agreement, the terms and conditions of the governing MAACO Franchise Agreement shall remain in full force and effect, un-modified and un-cancelled.

16. This Agreement shall serve as an addendum to Franchisee's MAACO Franchise Agreement for Maaco Center No. _____ and shall be incorporated by reference to that agreement for all purposes. Nothing in this Agreement shall affect the other franchised Maaco Centers that Converter now or hereafter operates.

17. This Agreement may not be assigned by Franchisee without the prior written permission of MAACO.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and the year first above written.

CONVERTER:

Maaco Franchisor SPV LLC

By: _____
Authorized Representative

By: _____
Authorized Representative

IF INDIVIDUALS:

"INDIVIDUAL NAME"

EXHIBIT Y

DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT ADDENDUM

THIS DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT ADDENDUM (the "Agreement") is made this _____ day of _____, _____ by and between _____, a _____ with its principal place of business located at _____ ("Franchisee" or "Developer") and Maaco Franchisor SPV LLC, a Delaware limited liability company with its principal place of business located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202 ("MAACO" or "Franchisor"). Franchisee or Developer and MAACO or Franchisor are collectively referred to as "Parties" for purposes of this Agreement.

RECITALS

WHEREAS, Developer has expressed a desire to develop additional MAACO franchises (the "Centers") in the following areas:

WHEREAS, Developer desires to develop ____ (____) additional MAACO franchises in certain areas to be designated for a total of ____ (____) MAACO franchises ("Locations");

WHEREAS, in consideration of developing ____ (____) MAACO franchises at the Locations, the Parties desire to amend the MAACO Franchise Agreement to which this Agreement is attached ("Franchise Agreement") in accordance with the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration for the mutual promises contained herein the parties hereto agree as follows:

AGREEMENT

1. MAACO hereby grants to Developer the right to develop a MAACO franchise within the Locations set forth in the Recitals, subject to the terms and conditions stated in this Agreement and the governing terms and conditions of each applicable Franchise Agreement.

2. Developer agrees that for each franchise unit that Developer or their representative legal entity develops and opens they shall execute the Franchise Agreements for each location for the purpose of establishing, owning and operating MAACO Centers within the Area. Each of the Franchise Agreements shall be for a term of 15 years and shall be substantially in the form of the Franchise Agreement to which this Agreement is attached.

3. In consideration for opening _____ (_____) Locations as set forth in this Agreement, the Franchise Agreements shall be amended as follows:

- a. Paragraph 5(A)(1) of the Franchise Agreements shall be amended such that the initial franchise fee shall be _____ and 00/100 Dollars (\$_____) for all _____ (_____) Locations in the aggregate. Specifically, the initial franchise fees shall be apportioned in the following manner:
 - i. the initial franchise fee for the first MAACO Franchise Agreement developed under this Agreement shall be _____ and 00/100 Dollars (\$_____);
 - ii. the initial franchise fee for the second MAACO Franchise Agreement developed under this Agreement shall be _____ and 00/100 Dollars (\$_____); and
 - iii. the initial franchise fee for the third MAACO Franchise Agreement developed under this Agreement shall be _____ and 00/100 Dollars (\$_____).

4. Of the Locations set forth in this Agreement, Developer shall open one (1) MAACO franchise in the _____ calendar year, one (1) MAACO franchise in the _____ calendar year, one (1) MAACO franchise in the _____ calendar year. Failure to develop the MAACO franchises pursuant to this development schedule will result in the termination of this Agreement as to any further franchise locations.

5. In the event that Developer is in default of any of the governing Franchise Agreements they shall be prohibited from opening any additional MAACO outlets pursuant to this Development Agreement or any other agreements until such default(s) are cured to the extent that they are subject to cure. If any of the Franchise Agreements are terminated, except as provided for in this Agreement, the Agreement shall terminate. However, to the extent that Developer is not in default of other existing Franchise Agreements they can continue to operate under those Franchise Agreements, and they shall remain in full force and effect unless and until Developer may be in default of any such agreements.

6. Developer shall not have the right to sell or assign the development rights provided in this Agreement without the prior written approval of MAACO. Notwithstanding the foregoing, the Developer shall have the right to establish separate corporations or limited liability companies for each location under this Agreement without approval from MAACO, as long as Developer owns at least fifty-one percent (51%) of the controlling interest of each such entity. However, nothing in this provision shall prevent Developer from selling, assigning or otherwise transferring any Franchise Agreement and the accompanying Center subject to the terms and conditions in the governing Franchise Agreement.

7. Due to the nature of this Agreement, Developer understands that this Agreement is considered confidential, and at no time will he disclose any portion of this Agreement to any

third party, whether an individual, partnership or corporation, except as is specifically authorized by MAACO in writing or required by law.

8. The remaining terms of the Franchise Agreements not amended by this Agreement shall remain in full force and effect, unchanged and un-canceled.

Franchisee/Developer:

[CORPORATION]

By: _____
Authorized Representative

Date

Guarantor(s):

[individual]

[individual]

FRANCHISOR:
MAACO FRANCHISOR SPV LLC

By: _____
Authorized Representative

Date

EXHIBIT Z

SATELLITE STORE ADDENDUM TO MAACO FRANCHISE AGREEMENT

THIS SATELLITE STORE ADDENDUM (the “Addendum”) is made and entered into this ____ day of _____, _____, (“Effective Date”) between Maaco Franchisor SPV LLC, a Delaware limited liability company, with its principal office at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 (hereinafter referred to as “MAACO”), and _____ (hereinafter referred to as “Franchisee”).

RECITALS

A. MAACO and Franchisee are parties to a MAACO Franchise Agreement dated _____, _____, identified as Center No. _____ (the “Agreement”), pursuant to which Franchisee has been granted the right to operate a Maaco Center (the “Center”) described in Paragraph 1A of the Agreement.

B. Franchisee desires to be granted the right under the Agreement to operate a separate non-production Maaco retail store (the “Maaco Store”) in conjunction with the operation of its Center from which it will offer and sell vehicle painting and body repair services to be performed at the Center.

C. MAACO is willing to allow Franchisee to operate a Maaco Store in conjunction with the operation of the Center provided Franchisee complies with the Agreement as modified by the terms of this Addendum.

D. Accordingly, MAACO and Franchisee desire to modify the Agreement as stated below.

AGREEMENT

In consideration of the undertakings and commitments of each party to the other party set forth herein, the parties hereby mutually agree as follows:

1. Definitions; Conflict. All capitalized terms contained in this Addendum and not defined herein will have the same meanings as ascribed to them in the Agreement. To the extent any conflict exists between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control.

2. Applicability of Agreement to Store. MAACO and Franchisee acknowledge and agree that they are entering into this Addendum to allow Franchisee to operate the Store (as defined below) in addition to and in conjunction with its Center and that, except as modified by this Addendum, all of the rights and obligations of the parties under the Agreement that apply to Franchisee’s development and operation of the Center apply equally to Franchisee’s development and operation of the Store.

3. Appointment. MAACO hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise to operate a Maaco Store (the "Store"), and to use solely in connection therewith the System, as it may be changed, improved and further developed from time to time and the Proprietary Marks, at the following address (the "Store Address"):

Franchisee accepts this grant and agrees to use its best efforts to develop the business potential of the Store utilizing the System. Franchisee shall not relocate the Store without prior written approval of MAACO. This Store shall utilize the following Franchisee Maaco Center to undertake production services from the Store:

4. Territorial Protection. Provided Franchisee is in compliance with this Agreement, MAACO will not during the term of this Agreement establish, nor will a franchisee establish another Maaco Store within a radius of one (1) mile from your Maaco Store granted herein. Franchisee expressly acknowledges and agrees that the franchise for the Store is nonexclusive, and that, except as restricted above, MAACO or its subsidiaries or affiliates may establish, or franchise or license others to establish Maaco Centers or Maaco Stores at any locations. Notwithstanding the foregoing restriction, Franchisee agrees and acknowledges that in certain denser urban areas, MAACO has the right to review and amend the restriction. Franchisee further acknowledges and agrees that customers of Maaco Stores are generated under the brand and belong to the System, thereby enhancing the value of the brand.

5. Selection of Site for Store.

A. Franchisee shall use its best efforts to seek and select a proposed location for the Store Address acceptable to MAACO as suitable for the operation of a Maaco Store. Franchisee shall submit to MAACO, in the form specified by MAACO, a description of the location and such other information or materials as MAACO may require. MAACO's approval of a site shall not constitute, nor be deemed, a judgment as to the likelihood of success of the Store at such location or a judgment as to the relative desirability of such location in comparison to other Maaco Store locations.

B. Franchisee shall secure a site for the Store by lease or purchase within three (3) months from the date of execution of this Addendum, unless MAACO grants Franchisee an extension of time for Franchisee to secure a site for the Store. MAACO will determine the length of the extension at its sole option. In the event Franchisee fails to secure a site within this time period (or any extension thereof), or, if at any time after the execution of this Addendum and prior to the time Franchisee secures a site for the

Store, MAACO determines in its judgment that Franchisee has not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Store or that Franchisee has been uncooperative with MAACO during any one or more phases of the pre-operational process, then MAACO shall have the right to terminate this Addendum upon written notice to Franchisee. If MAACO elects to terminate under these circumstances, Franchisee will forfeit all of its initial fees referenced below in this Addendum.

C. Franchisee agrees to open its Store within three (3) months after the date of execution of this Addendum. However, if Franchisee's failure to open its Store within such three (3)-month period is due to reasons beyond its control (such as Acts of God, unavoidable delays in obtaining zoning permits or unavoidable construction delays), at MAACO's discretion MAACO may grant a reasonable extension of time for Franchisee to open its Store. If however, Franchisee has not opened its Store within this three (3)-month period and no extension has been granted to Franchisee then, at MAACO's option, this Addendum will be terminated and Franchisee will forfeit all of its initial fees referenced below in this Addendum.

D. In the event of a termination of this Addendum as described in this Section 5, Franchisee shall execute a mutual release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities.

E. For purposes of clarification, except as described above in this Section 5, MAACO and Franchisee agree to comply with the requirements of Paragraph 2 of the Agreement, modified, as applicable, to apply to the Store.

6. Development and Operation of the Store. The Store must be developed and operated in accordance with the standards and specifications MAACO periodically prescribes, with the understanding that MAACO has the right to prescribe standards and specifications for Maaco Stores that are different than those it prescribes for Maaco Centers. At all times the Store must be operated in conjunction with the Center. The Store will offer and sell vehicle painting and body repair services to be performed at the Center, but no painting or body repair services may be performed at the Store. Franchisee will be assigned a separate Maaco Center number for the Store. MAACO has the right to periodically designate or approve the point-of-sale (POS) system and the estimating system that Franchisee is required to purchase and use in the Store, and MAACO has the right to require that such systems are compatible with those used in the Center.

7. Terms and Renewal. The term of this Addendum shall run coterminous with the term of the Agreement. If at the end of the term, Franchisee satisfies all of the renewal requirements described in Paragraph 3 of the Agreement and is allowed, at its option, to renew the franchise for the Center for a renewal term, Franchisee also may, at its option, renew the franchise for the Store for the same renewal term, provided that:

A. Franchisee also satisfies all of the renewal requirements described in Paragraph 3 of the Agreement as they relate to the Store, except that Franchisee will not be required to comply with the refurbishing tasks if the Store has been open for less than five (5) years at the time of the renewal; and

B. Franchisee agrees to execute upon renewal and upon the execution of MAACO's then current form of Franchise Agreement for the Center, MAACO's then current form of Satellite Store Addendum, which shall supersede in all respects this Addendum, and the terms of which may differ from the terms of this Addendum including, without limitation: (i) a higher percentage royalty fee; and (ii) a continuing weekly advertising contribution in an amount equal to Franchisee's weekly budget for the Store at the time of renewal, or the amount set forth in MAACO's then current Satellite Store Addendum, whichever is greater.

8. Initial Franchise Fee. Franchisee agrees to pay MAACO an initial franchise fee of Seven Thousand Five Hundred Dollars (\$7,500) for the Store franchise which, when paid to MAACO, shall be deemed fully earned and non-refundable, except as noted herein, and shall be payable upon execution of this Addendum.

9. Initial Software License Fee. Franchisee agrees to pay MAACO the then-current Initial Software License Fee for the Store, payable before MAACO delivers possession of the software to Franchisee or thirty (30) days prior to the scheduled opening of the Store, whichever occurs first. Franchisee must also sign any software license agreement as MAACO may require from time to time.

10. Royalty. Franchisee agrees to pay to MAACO a continuing weekly royalty fee of eight percent (8%) of the gross receipts of the Store during the term of this Addendum based on the gross receipts of the Store. The gross receipts of the Store and the Center shall be calculated and accounted for separately, and Franchisee agrees to submit separate royalty fees and reports for the Store and the Center. The amount, due date and procedure for payment and reporting of the continuing weekly royalty fee for the Store shall be the same as described in the Agreement for the Center.

11. Initial Advertising Contribution. Franchisee shall pay to MAACO an initial advertising contribution for the Store in the amount of Ten Thousand Dollars (\$10,000) payable upon execution of this Addendum for pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Store and related activities. The actual cost may exceed Franchisee's initial advertising contribution, in which case MAACO will charge Franchisee the difference.

12. Continuing Weekly Advertising Contribution. Franchisee shall pay MAACO a continuing weekly advertising contribution for the Store in the amount of Four Hundred Twenty Five Dollars (\$425), or an amount equal to half of the weekly advertising budget of MAACO franchisees operating in Franchisee's designated market area for the Store, whichever is greater, for the creation and placement of advertising and promotional programs by MAACO for the

benefit of the System, including website development, telemarketing and Center/Store locator numbers, subject to the increase described in Paragraph 6.1(B) of the Agreement.

13. Continuing Weekly National Marketing Fee. Franchisee shall pay MAACO a continuing weekly national marketing fee for the Store in the amount of seventy dollars (\$70) or an amount equal to the then current national marketing fee being charged by MAACO to be used, in part, for national broadcast opportunities, national public relations and promotional efforts, and Internet-related advertising designed to promote the MAACO brand on a national level. All weekly advertising contributions and national marketing fees shall be payable at the same time as the weekly royalty fee payments due under Section 10 hereof.

14. Separate Telephone Numbers. Franchisee is required to establish and maintain a separate telephone number for the Store and to comply with all provisions in the Agreement that relate to its use and ownership.

15. Operations Manual. In order to protect the reputation and goodwill of MAACO and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall operate the Store in accordance with MAACO's Confidential Operating Manual (the "Manual") and any other Maaco Store manuals or materials MAACO develops (collectively, "Store Manuals"), one copy of which will be supplied to Franchisee for the Store within thirty (30) days after the Effective Date of this Addendum. For purposes of clarification, all provisions in the Agreement relating to the use, ownership and ability to revise the Manual, apply equally to the Store Manuals.

16. Separate Reporting and Recordkeeping. Franchisee's gross receipts from the Store will be reported separate from, but at the same time and in the same manner as, Franchisee's gross receipts from the Center. In addition, Franchisee will maintain separate bookkeeping, accounting and recordkeeping for the Store and the Center, and will submit separate financial statements, reports and other information required to be submitted to MAACO under the Agreement for the Store and the Center.

17. Required Purchases. Beginning with the Effective Date of this Addendum and continuing through the term of the Franchise Agreement, Franchisee shall be required to purchase all of the paint, products and other supplies used in the Center from MAACO or our designed supplier.

18. Insurance. Franchisee shall obtain and maintain separate insurance policies for the Store as required under the Agreement, and shall comply with any additional insurance requirements MAACO periodically requires.

19. Training. The parties acknowledge and agree that MAACO is not required to provide, and Franchisee is not required to attend, any initial training program relating to the development and operation of the Store.

20. Required Opening of an Additional Maaco Center. If during the term of this Addendum annual gross receipts of the Store exceed Seven Hundred Fifty Thousand Dollars

(\$750,000), MAACO shall have the right, in its sole discretion, to require Franchisee to open and operate an additional Maaco Center.

21. Termination of Addendum. In the event MAACO has the right to terminate the Agreement as the result of a default relating to the Store or this Addendum, MAACO shall have the right, in its sole discretion, to terminate this Addendum, and not the entire Agreement, in which case Franchisee would be required to comply with all of the post-term obligations relating to the Store, but would be allowed to continue to operate the Center under the terms of the Agreement.

22. Construction. In all other respects, the Agreement will be construed and enforced with its terms.

FRANCHISEE ACKNOWLEDGES THAT THE SUCCESS OF THE STORE INVOLVES RISKS AND IS DEPENDENT UPON: (I) THE ABILITY AND ACUMEN OF FRANCHISEE AS AN INDEPENDENT BUSINESSPERSON; (II) FRANCHISEE'S FULL-TIME PARTICIPATION IN THE DAY-TO-DAY OPERATION OF THE STORE AND THE CENTER; AND (III) FRANCHISEE'S IMPLEMENTATION OF THE SYSTEM. FRANCHISEE REPRESENTS AND WARRANTS THAT NEITHER MAACO NOR ANY PERSON OR ENTITY ACTING ON ITS BEHALF HAS PROVIDED ANY ASSURANCES OR MADE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME, PROFITS OR PROBABLE SUCCESS OF THE STORE. FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE MAACO STORE FRANCHISE OPPORTUNITY. FRANCHISEE HAS READ THE ABOVE ADDENDUM AND UNDERSTANDS ITS TERMS. FRANCHISEE WOULD NOT SIGN THIS ADDENDUM IF FRANCHISEE DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on this ____ day of _____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

EXHIBIT AA

EXPRESS STORE ADDENDUM TO MAACO FRANCHISE AGREEMENT

THIS EXPRESS STORE ADDENDUM (the “Addendum”) is made and entered into this ____ day of _____, _____, (“Effective Date”) between Maaco Franchisor SPV LLC, a Delaware limited liability company, with its principal office at 440 S. Church Street, Suite 700, Charlotte, North Carolina 28202 (hereinafter referred to as “MAACO”), and ____

_____ (hereinafter referred to as “Franchisee”).

RECITALS

A. MAACO and Franchisee are parties to a MAACO Franchise Agreement dated _____, _____, identified as Center No. _____ (the “Agreement”), pursuant to which Franchisee has been granted the right to operate a Maaco Center (the “Center”) described in Paragraph 1A of the Agreement.

B. Franchisee desires to be granted the right under the Agreement to operate a separate Maaco production and retail store (the “Maaco Express Store”) in conjunction with the operation of its Center from which it will offer and sell vehicle painting and body repair services to be performed at the Maaco Express Store and at the Center.

C. MAACO is willing to allow Franchisee to operate a Maaco Express Store in conjunction with the operation of the Center provided Franchisee complies with the Agreement as modified by the terms of this Addendum.

D. Accordingly, MAACO and Franchisee desire to modify the Agreement as stated below.

AGREEMENTS

In consideration of the undertakings and commitments of each party to the other party set forth herein, the parties hereby mutually agree as follows:

1. Definitions; Conflict. All capitalized terms contained in this Addendum and not defined herein will have the same meanings as ascribed to them in the Agreement. To the extent any conflict exists between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control.

2. Applicability of Agreement to Store. MAACO and Franchisee acknowledge and agree that they are entering into this Addendum to allow Franchisee to operate the Store (as defined below) in addition to and in conjunction with its Center and that, except as modified by this Addendum, all of the rights and obligations of the parties under the Agreement that apply to

Franchisee's development and operation of the Center apply equally to Franchisee's development and operation of the Store.

3. Appointment. MAACO hereby grants to Franchisee, upon the terms and conditions herein contained, the right and franchise to operate a Maaco Express Store (the "Store"), and to use solely in connection therewith the System, as it may be changed, improved and further developed from time to time and the Proprietary Marks, including but not limited to the "Maaco Express" trademark, at the following address (the "Store Address"):

Franchisee accepts this grant and agrees to use its best efforts to develop the business potential of the Store utilizing the System. Franchisee shall not relocate the Store without prior written approval of MAACO. This Store shall utilize the following Franchisee Maaco Center to undertake production services from the Store:

4. Territorial Protection. Provided Franchisee is in compliance with this Agreement, MAACO will not during the term of this Agreement establish, nor will a franchisee establish a Maaco Express within a radius of one (1) mile from your Maaco Express granted herein. Franchisee expressly acknowledges and agrees that the franchise for the Store is nonexclusive, and that, except as restricted above, MAACO or its subsidiaries or affiliates may establish, or franchise or license others to establish Maaco Centers or Maaco Express Stores at any locations. Notwithstanding the foregoing restriction, Franchisee agrees and acknowledges that in certain denser urban areas, MAACO has the right to review and amend the restriction. Franchisee further acknowledges and agrees that customers of Maaco Express Stores are generated under the brand and belong to the System, thereby enhancing the value of the brand.

5. Selection of Site for Store.

A. Franchisee shall use its best efforts to seek and select a proposed location for the Store Address acceptable to MAACO as suitable for the operation of a Maaco Express Store. Franchisee shall submit to MAACO, in the form specified by MAACO, a description of the location and such other information or materials as MAACO may require. MAACO's approval of a site shall not constitute, nor be deemed, a judgment as to the likelihood of success of the Store at such location or a judgment as to the relative desirability of such location in comparison to other Maaco Express Store locations.

B. Franchisee shall secure a site for the Store by lease or purchase within three (3) months from the date of execution of this Addendum, unless MAACO grants Franchisee an extension of time for Franchisee to secure a site for the Store. MAACO will determine the length of the extension at its sole option. In the event Franchisee fails

to secure a site within this time period (or any extension thereof), or, if at any time after the execution of this Addendum and prior to the time Franchisee secures a site for the Store, MAACO determines in its judgment that Franchisee has not made good faith efforts to seek and select a suitable location or to secure financing for the development of the Store or that Franchisee has been uncooperative with MAACO during any one or more phases of the pre-operational process, then MAACO shall have the right to terminate this Addendum upon written notice to Franchisee. If MAACO elects to terminate under these circumstances, Franchisee will forfeit all of its initial fees referenced below in this Addendum.

C. Franchisee agrees to open its Store within three (3) months after the date of execution of this Addendum. However, if Franchisee's failure to open its Store within such three (3) month period is due to reasons beyond its control (such as Acts of God, unavoidable delays in obtaining zoning permits or unavoidable construction delays), at MAACO's discretion MAACO may grant a reasonable extension of time for Franchisee to open its Store. If however, Franchisee has not opened its Store within this three (3)-month period and no extension has been granted to Franchisee then, at MAACO's option, this Addendum will be terminated and Franchisee will forfeit all of its initial fees referenced below in this Addendum.

D. In the event of a termination of this Addendum as described in this Section 5, Franchisee shall execute a mutual release in a form satisfactory to MAACO, of any and all claims against MAACO, its parents, affiliates and subsidiaries, together with all of their respective former, present and future officers, directors, shareholders, employees, agents, attorneys, servants, representatives, heirs, successors, assigns and predecessors, in their corporate and individual capacities.

E. For purposes of clarification, except as described above in this Section 5, MAACO and Franchisee agree to comply with the requirements of Paragraph 2 of the Agreement, modified, as applicable, to apply to the Store.

6. Development and Operation of the Store. The Store must be developed and operated in accordance with the standards and specifications MAACO periodically prescribes, with the understanding that MAACO has the right to prescribe standards and specifications for Maaco Express Stores that are different than those it prescribes for Maaco Centers. At all times the Store must be operated in conjunction with the Center. The Store will offer and sell vehicle painting and body repair services to be performed both at the Store and the Center. Franchisee will be assigned a separate Maaco center number for the Store. MAACO has the right to periodically designate or approve the point-of-sale (POS) system and the estimating system that Franchisee is required to purchase and use in the Store, and MAACO has the right to require that such systems are compatible with those used in the Center.

7. Terms and Renewal. The term of this Addendum shall run coterminous with the term of the Agreement. If at the end of the term, Franchisee satisfies all of the renewal requirements described in Paragraph 3 of the Agreement and is allowed, at its option, to renew

the franchise for the Center for a renewal term, Franchisee also may, at its option, renew the franchise for the Store for the same renewal term, provided that:

A. Franchisee also satisfies all of the renewal requirements described in Paragraph 3 of the Agreement as they relate to the Store, except that Franchisee will not be required to comply with the refurbishing tasks if the Store has been open for less than five (5) years at the time of the renewal; and

B. Franchisee agrees to execute upon renewal and upon the execution of MAACO's then current form of Franchise Agreement for the Center, MAACO's then current form of Express Store Addendum, which shall supersede in all respects this Addendum, and the terms of which may differ from the terms of this Addendum including, without limitation: (i) a higher percentage royalty fee; and (ii) a continuing weekly advertising contribution in an amount equal to Franchisee's weekly budget for the Store at the time of renewal, or the amount set forth in MAACO's then current Express Store Addendum, whichever is greater.

8. Initial Franchise Fee. Franchisee agrees to pay MAACO an initial franchise fee of Seven Thousand Five Hundred Dollars (\$7,500) for the Store franchise which, when paid to MAACO, shall be deemed fully earned and non-refundable, except as noted herein, and shall be payable upon execution of this Addendum.

9. Initial Software License Fee. Franchisee agrees to pay MAACO the then-current Initial Software License Fee for the Store, payable before MAACO delivers possession of the software to Franchisee or thirty (30) days prior to the scheduled opening of the Store, whichever occurs first. Franchisee must also sign any software license agreement as MAACO may require from time to time.

10. Royalty. Franchisee shall remit to MAACO a continuing weekly royalty fee of eight percent (8%) of the gross receipts of the Store during the term of this Addendum based on the gross receipts of the Store. The gross receipts of the Store and the Center shall be calculated and accounted for separately, and Franchisee agrees to submit separate royalty fees and reports for the Store and the Center. The amount, due date and procedure for payment and reporting of the continuing weekly royalty fee for the Store shall be the same as described in the Agreement for the Center.

11. Initial Advertising Contribution. Franchisee shall pay to MAACO an initial advertising contribution for the Store in the amount of Ten Thousand Dollars (\$10,000) payable upon execution of this Addendum for pre-opening and grand opening promotion, promotional materials, initial crew ads, initial advertising of the Store and related activities. The actual cost may exceed Franchisee's initial advertising contribution, in which case MAACO will charge Franchisee the difference.

12. Continuing Weekly Advertising Contribution. Franchisee shall pay MAACO a continuing weekly advertising contribution for the Store in the amount of Four Hundred Twenty Five Dollars (\$425), or an amount equal to half of the weekly advertising budget of MAACO

franchisees operating in Franchisee's designated market area for the Store, whichever is greater, for the creation and placement of advertising and promotional programs by MAACO for the benefit of the System, including website development, telemarketing and Center/Store locator numbers, subject to the increase described in Paragraph 6.1(B) of the Agreement.

13. Continuing Weekly National Marketing Fee. Franchisee shall pay MAACO a continuing weekly national marketing fee for the Store in the amount of seventy dollars (\$70) or an amount equal to the then current national marketing fee being charged by MAACO to be used, in part, for national broadcast opportunities, national public relations and promotional efforts, and internet related advertising designed to promote the MAACO brand on a national level. All weekly advertising contributions and national marketing fees shall be payable at the same time as the weekly royalty fee payments due under Section 10 hereof.

14. Separate Telephone Numbers. Franchisee is required to establish and maintain a separate telephone number for the Store and to comply with all provisions in the Agreement that relate to its use and ownership.

15. Operations Manual. In order to protect the reputation and goodwill of MAACO and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall operate the Store in accordance with MAACO's Confidential Operating Manual (the "Manual") and any other Maaco Express manuals or materials MAACO develops (collectively, "Store Manuals"), one copy of which will be supplied to Franchisee for the Store within thirty (30) days after the Effective Date of this Addendum. For purposes of clarification, all provisions in the Agreement relating to the use, ownership and ability to revise the Manual, apply equally to the Store Manuals.

16. Separate Reporting and Recordkeeping. Franchisee's gross receipts from the Store will be reported separate from, but at the same time and in the same manner as, Franchisee's gross receipts from the Center. In addition, Franchisee will maintain separate bookkeeping, accounting and recordkeeping for the Store and the Center, and will submit separate financial statements, reports and other information required to be submitted to MAACO under the Agreement for the Store and the Center.

17. Required Purchases. Beginning with the Effective Date of this Addendum and continuing through the term of the Franchise Agreement, Franchisee shall be required to purchase all of the paint, products and other supplies used in the Center from MAACO or our designed supplier.

18. Insurance. Franchisee shall obtain and maintain separate insurance policies for the Store as required under the Agreement, and shall comply with any additional insurance requirements MAACO periodically requires.

19. Training. The parties acknowledge and agree that MAACO is not required to provide, and Franchisee is not required to attend, any initial training program relating to the development and operation of the Store.

20. Required Opening of an Additional Maaco Center. If during the term of this Addendum annual gross receipts of the Store exceed Seven Hundred Fifty Thousand Dollars (\$750,000), MAACO shall have the right, in its sole discretion, to require Franchisee to open and operate an additional Maaco Center.

21. Termination of Addendum. In the event MAACO has the right to terminate the Agreement as the result of a default relating to the Store or this Addendum, MAACO shall have the right, in its sole discretion, to terminate this Addendum, and not the entire Agreement, in which case Franchisee would be required to comply with all of the post-term obligations relating the Store, but would be allowed to continue to operate the Center under the terms of the Agreement.

22. Construction. In all other respects, the Agreement will be construed and enforced with its terms.

FRANCHISEE ACKNOWLEDGES THAT THE SUCCESS OF THE STORE INVOLVES RISKS AND IS DEPENDENT UPON: (I) THE ABILITY AND ACUMEN OF FRANCHISEE AS AN INDEPENDENT BUSINESSPERSON; (II) FRANCHISEE'S FULL-TIME PARTICIPATION IN THE DAY-TO-DAY OPERATION OF THE STORE AND THE CENTER; AND (III) FRANCHISEE'S IMPLEMENTATION OF THE SYSTEM. FRANCHISEE REPRESENTS AND WARRANTS THAT NEITHER MAACO NOR ANY PERSON OR ENTITY ACTING ON ITS BEHALF HAS PROVIDED ANY ASSURANCES OR MADE ANY REPRESENTATIONS OR WARRANTIES CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME, PROFITS OR PROBABLE SUCCESS OF THE STORE. FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE MAACO EXPRESS FRANCHISE OPPORTUNITY. FRANCHISEE HAS READ THE ABOVE ADDENDUM AND UNDERSTANDS ITS TERMS. FRANCHISEE WOULD NOT SIGN THIS ADDENDUM IF FRANCHISEE DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on this ____ day of _____.

FRANCHISEE

If a corporation, limited liability company
or partnership:

a _____

(Name of corporation, limited
liability company or partnership)

By: _____

Print Name: _____

Title: _____

If individuals:

(Signature)

(Print Name)

(Signature)

(Print Name)

MAACO FRANCHISOR SPV LLC,

a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

ITEM 23 - RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Maaco Franchisor SPV LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require us to give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires us to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Maaco Franchisor SPV LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and appropriate state agency listed in Exhibit U.

The franchisor is Maaco Franchisor SPV LLC, located at 440 South Church Street, Suite 700, Charlotte, North Carolina 28202. Its telephone number is 704-377-8855.

Issuance Date: May 12, 2016

The franchise seller(s) for this offering are:

☐ Rob Cambruzzi ☐ Tyson Disbennett ☐ Grace Makoid ☐ Thomas Hipp ☐ _____

at Maaco Franchisor SPV LLC, 440 South Church Street, Suite 700, Charlotte, North Carolina 28202.
The telephone number is 704-377-8855.

We authorize the respective state agents identified on Exhibit U to receive service of process for us in the particular states.

I received a disclosure document from Maaco Franchisor SPV LLC dated May 12, 2016, that included the following Exhibits:

- | | | | |
|-----|--|---|--|
| A | Financial Statements | G | Addendum to Franchise Agreement (Additional Center) |
| B-1 | List of MAACO Franchisees | H | Collateral Assignment of Lease and Consent and Agreement of Lessor |
| B-2 | List of MAACO Franchisees Who Have Left the System | I | Assignment and Assumption Agreement |
| B-3 | Non-Operational MAACO Franchisees | J | Personal Guaranty |
| B-4 | Non-Operational MAACO Franchisees Who Have Left the System | K | New Franchise Disclosure Questionnaire |
| C | Franchise Agreement, Including Analysis of Investment | L | MAACO Polaris 2000 Software License Agreement |
| D | Opening Equipment, Inventory and Signs | M | Warranty Work Franchise Transfer Acknowledgement |
| E | Amendment to Franchise Agreement (Transfer) | N | Warranty Agreement |
| F | Renewal Addendum to Franchise Agreement | O | Tri Party Agreement |

ITEM 23 – RECEIPT CONTINUED

P	Option to Purchase or Lease Agreement	V	State-Specific Additional Disclosures and Agreement Riders
Q	Waiver and Release	W	Guaranty of Performance
R	International Emergency Economic Powers Act Compliance Questionnaire	X	Conversion Agreement
S	Release of Telephone Number and Transfer of Telephone Service	Y	Development Agreement and Franchise Agreement Addendum
T	Tables of Contents of Manuals	Z	Satellite Store Addendum to Franchise Agreement
U	List of State Agencies/Agents for Service of Process	AA	Express Store Addendum to Franchise Agreement

_____	_____	_____
Date	[Print Name]	[Signature]

_____	_____	_____
Date	[Print Name]	[Signature]

Center No. _____

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_____	_____	_____
Date	[Print Name]	[Signature]

_____	_____	_____
Date	[Print Name]	[Signature]

Center No. _____